

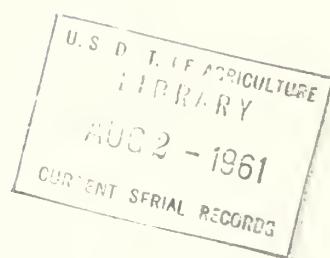
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# Prospects for Foreign Trade in



**WHEAT, RICE, FEED GRAINS,  
DRY PEAS, DRY BEANS,  
SEEDS, HOPS**



Growth Through Agricultural Progress

Foreign Agricultural Service  
UNITED STATES DEPARTMENT OF AGRICULTURE  
May 1961



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# PROSPECTS FOR FOREIGN TRADE IN WHEAT, RICE, FEED GRAINS, DRY PEAS, DRY BEANS, SEEDS, HOPS

## SUMMARY

U. S. exports of wheat including flour will be considerably larger in 1960-61 than a year ago. Exports of rice are likely to show a small increase, but those of rye will probably not change from the 1959-60 level:

	Wheat <u>2/</u>	Rye	Rice <u>3/</u>
	<u>Mil. bu.</u>	<u>Mil. bu.</u>	<u>Mil. cwt.</u>
1959-60 <u>1/</u> . . . . .	508	5	20.6
1960-61 <u>1/</u> . . . . .	590	5	20.9

1/ For wheat and rye, July-June marketing year; for rice, August-July.

2/ Includes flour in terms of grain. 3/ Milled basis.

Among the feed grains, U.S. corn exports will be somewhat larger in 1960-61 than a year ago, but exports of oats and barley will be considerably smaller. Exports of grain sorghums will probably remain about the same or slightly higher.

	Corn	Oats	Barley	Grain sorghums
	<u>Mil. bu.</u>	<u>Mil. bu.</u>	<u>Mil. bu.</u>	<u>Mil. bu.</u>
1959-60 <u>1/</u> . . . . .	230	45	118	99
1960-61 <u>1/</u> . . . . .	240	25	85	100

1/ July-June marketing year.

For dry beans and peas, U.S. exports in 1960-61 will be somewhat smaller than a year ago. The same is true for hops. Exports of grass and legume seeds, however, are expected to exceed the 1959-60 record by a substantial margin.

	Dry beans	Dry peas	Grass and legume seeds	Hops
	<u>Mil. bags</u>	<u>Mil. bags</u>	<u>Mil. pounds</u>	<u>Mil. pounds</u>
1959-60 <u>1/</u> . . . . .	3.9	2.2	46.2	18.5
1960-61 <u>1/</u> . . . . .	3.3	2.0	60.0	17.8

1/ For dry beans and peas and seeds, July-June marketing year; for hops, September-August.

The importance to the Nation of foreign trade in these products is apparent when the values of the exports are considered: Taken together, grain and grain products, dry beans and peas, grass and legume seeds, and hops represented 38.8 percent of the value of all U.S. agricultural exports in 1959-60 and 9.2 percent of total exports of all commodities (industrial and agricultural) that year. The year before, they represented 42.3 percent of the agricultural and 9.1 percent of the total exports.



# GRAIN AND GRAIN PRODUCTS

## World Production Trends

Aided by governmental price supports and other official incentives, technological progress, and a steady increase in world consumption, world food and feed grain production reached a record total of 816 million metric tons in 1960-61. This represented an increase of 1.7 percent compared with 1959-60 and 21.9 percent compared with the 1950-54 average.

The world total for food grains (wheat, rice, and rye) — 479 million tons — is slightly larger than it was a year ago and 18.1 percent over the 1950-54 average. For individual grains the percentage increases over 1959-60 and the average, the latter shown in parentheses, were as follows: Wheat 1.8 (18.9) and rice 1.4 (23.4). Rye continued to decline.

This year's larger food grain total is due mainly to increases in the United States, Canadian, Turkish, and Australian wheat crops and in the Asian rice crop, especially in Japan, Thailand, the Philippines, Burma, and Vietnam. The U.S. share of the food grain total was slightly higher than a year ago but about the same as the 1950-54 average.

Reflecting continued upward trends in livestock numbers and in the effective demand for livestock and meat products in many countries, world feed grain production (excluding grain sorghums for which world production data are not available) in 1960-61 — 336 million tons — increased 3.2 percent over 1959-60 and 27.9 percent over the 1950-54 average. For individual grains the increases over a year ago and the average, the latter shown in parentheses, were as follows: Corn 2.8 (43.1) and barley 2.9 (25.2). Oats show an increase of 5.4 percent over last year but a decline of 5.8 percent compared with the average.

This year's increased feed grain outturn was due mainly to larger corn crops in the United States, the Soviet Union, and South America, Europe, and Asia; larger barley crops in Europe, the Soviet Union, and Australia; and larger crops of oats in Europe, Canada, Australia, and Asia. The U.S. share of the total (excluding sorghums) was about 41 percent, slightly lower than a year ago but a little higher than the 1950-54 average.

## Factors Affecting 1960-61 Exports

The effective demand for U. S. grain and grain products in foreign countries and the ability of exporters to hold or expand market outlets abroad depend on many and constantly changing factors. For the 1960-61 marketing season and the years immediately ahead, the following are the most significant:

Favorable Factors.—(1) Increased opportunities for sales of wheat to Western Europe because of the reduced and poor quality of the 1960 harvest in that area; substantially reduced export availabilities of wheat in France; shift of Italy and Spain from a surplus to a deficit basis because of the poor 1960 crop; a smaller wheat crop and reduced export availabilities in Argentina; and reduced rye crops and export availabilities in the Soviet Union and Eastern and Western Europe, which together account for more than 90 percent of the world's rye production and trade.

(2) A continued high level of demand for imported feed grains in many countries — although at a lower level in Western Europe this year than a year ago — because of upward trends in consumption of livestock and meat products and increasing concentration on expansion of livestock production.

(3) Continued good demand for food and feed grains in deficit countries, especially those that are highly industrialized, because of steady improvement in their gold and dollar reserves and international balance of payments problems; continued upward trends in their exports of manufactured goods and industrial raw materials; continued improvements in the per capita



TABLE 1. — Food and feed grains: World and U. S. production, average 1950-54, annual 1959-60 and 1960-61

Grain	Average 1950-54			1959-60 <sup>1/</sup>			1960-61 <sup>1/</sup>		
	World total	United States		World total	United States		World total	United States	
		Total	Share		Total	Share		Total	Share
Food grains:	1,000 metric tons	1,000 metric tons	Per-cent	1,000 metric tons	1,000 metric tons	Per-cent	1,000 metric tons	1,000 metric tons	Per-cent
Wheat . . . . .	189,830	29,779	15.7	221,809	30,704	13.8	225,891	37,238	16.5
Rye . . . . .	36,959	528	1.4	36,451	546	1.5	32,260	790	2.4
Rice . . . . .	179,159	2,269	1.3	218,021	2,424	1.1	221,156	2,468	1.1
Total . . . . .	405,948	32,576	8.0	476,281	33,674	7.1	479,307	40,496	8.4
Feed grains:									
Corn . . . . .	143,772	79,051	55.0	200,163	108,751	54.3	205,752	110,564	53.7
Oats . . . . .	60,383	18,658	30.7	53,996	15,478	28.7	56,899	16,859	29.6
Barley . . . . .	58,786	6,162	10.5	71,523	9,190	12.8	73,592	9,213	12.5
Sorghums . . . . .	<u>2/</u>	<u>3/ (4,258)</u>	<u>2/</u>	<u>2/</u>	<u>3/ (14,866)</u>	<u>2/</u>	<u>2/</u>	<u>3/ (16,198)</u>	<u>2/</u>
Total . . . . .	262,941	103,871	39.5	325,682	133,419	41.0	336,243	136,636	40.6
Grand total . . . . .	668,939	136,447	20.4	801,963	167,093	20.8	815,550	177,132	21.7

<sup>1/</sup> Based on mid-December 1960 estimates for food grains, and January-December 1961 estimates for feed grains.

2/ Not available. 3/ Not included in totals since world production figures are not available.

purchasing power of their populations; increasing recognition of the need for greater reciprocity in international trade; a few indications of a desire to liberalize measures (such as quotas, licensing controls, etc.) restricting imports of grains and grain products from dollar areas; and possibility of progress toward nondiscriminatory multilateral trade as a result of action taken by Western European countries early in 1961 to make their currencies fully convertible both internally and externally.

(4) Steadily increasing demand for food and feed grains in the less developed countries of the world because of continued high level of technical assistance and economic aid to such countries to enable them to develop their resources, expand their foreign exchange earnings, and raise their living standards; and prospects that the Food For Peace program will result in substantially increased exports of grain and grain products to such areas.

(5) Continued upward trend in world population and persistent efforts, especially in underdeveloped countries, to diversify diets and improve nutritional levels as consumer purchasing power increases.

(6) Possibility of some reduction in grain production in several deficit countries and increased demand for imported grain because of movements of farm labor from rural to urban areas.

(7) Continued opportunities for moving U.S. grain surpluses into export channels under existing surplus disposal programs, and prospects for substantial increases in sales for dollars.

Unfavorable Factors.—(1) Reduced demand for imported feed grains in Western Europe this year because of a record corn crop, especially in France; much larger West European crops of barley and oats; and diversion of low-grade wheat into feed use.

(2) Substantially increased production and export availabilities of corn in Argentina, Thailand, and Indonesia, barley and oats in Australia, and oats in Canada and Turkey; and substantial export availabilities of corn in the Balkans, especially in Yugoslavia and Rumania, where supplies are well above normal needs although the 1960 crop was somewhat under the 1959 record.

(3) Continued controls over wheat and flour imports by virtually all major deficit countries in order to implement maintenance of price supports for home-grown wheat and thus expand domestic production and reduce dependence on imports; and trends in several European feed grain deficit countries to expand local feed grain production with the help of governmental price supports, import controls, taxes on imports, and other incentives.

(4) Demands of farmers in many grain importing countries for greater protection against competition of imported food and feed grains because of inflationary trends and increasing living costs resulting from rising wage levels.

(5) Possibility of a gradual reduction in European demand for imported feed grains in the years ahead as a result of increased efficiency in the production and utilization of grassland; increased use of low-grade indigenous wheat for livestock feed; and production shifts from wheat to coarse grains.

(6) Gradual decline in per capita wheat consumption for human food, especially in European countries, where rising incomes are encouraging increased consumption of more expensive foods, such as meat and dairy and poultry products.

(7) Maintenance of food and feed grain production at high levels in the deficit countries of the European Economic Community as a result of technological advances, high price supports, and proposed import controls that would continue to limit market opportunities for grain and grain products from non-EEC sources.

(8) Possibility of substantially increased production of food and feed grains in several countries where efforts are being devoted to the elimination of uneconomic small farm units and their consolidation into larger units using modern mechanical and technical methods.

(9) Political and economic disturbances and uncertainties in several of the new countries of Africa where consumer demand for grain and grain products has been expanding more rapidly than ability to pay.

### **World Trade Trends**

Reflecting improvements in consumer purchasing power, increasing population, and upward trends in livestock numbers, the effective demand for imported food and feed grains has been increasing rapidly during the past decade. Until recently, world trade in food grains (wheat, rye, and rice) increased more rapidly than in feed grains (corn, oats, barley, and grain sorghums). Indications now are that this trend is being reversed. Supporting this opinion are continued efforts on the part of deficit countries toward national self-sufficiency for wheat and the rapid growth in production and consumption of livestock and meat products in many countries, with resulting upward trends in demand for feed grains.

Current indications are that world grain exports in 1960-61 will total 66.4 million metric tons compared with the alltime record of 66.8 million tons in 1959-60 and the 1950-54 average of 46.8 million tons. The United States is expected to supply around 38 percent of the world's food grain exports in 1960-61 and 53 percent of the feed grains.

Largely because of a reduced and poor-quality European crop and increased requirements in India, Pakistan, and Mainland China, world wheat exports are expected to increase substantially in 1960-61. Exports of rye and rice are likely to be somewhat lower. Feed grain exports are also expected to be somewhat lower because of the large supplies of low-grade wheat available for feed use in Western Europe this year and the large 1960 outturn of corn, barley, and oats in that area.

The importance of grains in international trade stems not only from the world-wide demand for food and feed but also from the fact that many countries are not endowed with soil and climate requisite for grain production on an economic basis. Even many countries which are thus endowed are unable to produce all they consume because of population and other pressures for use of the land. This is especially true in the case of wheat, rice, and corn. The deficits must be offset by imports.

On the other hand, favorable soil and climate, relatively sparse populations per land area, low production costs, advances in production technique, and use of higher yielding seed have made it possible for several countries to become large producers for export. Outstanding are the United States, Canada, Australia, and Argentina for bread and coarse grains, and Burma, Thailand, and the United States for rice.

### **Foreign Government Barriers to Trade**

Studies made during 1960 indicate that the effective demand for imported bread and feed grains in world markets would be much larger than it is were it not for the continued disequilibrium between world supplies and requirements. This disequilibrium, which traces back to certain developments immediately following World War I, was further intensified by similar developments after World War II. To meet this situation the governments of all major grain importing and exporting countries felt they had to adopt policies and programs designed to protect the interests of their producers.

Outstanding among these developments were greatly increased production in the traditional surplus producing countries (the United States, Canada, Argentina, and Australia) to meet the urgent food and feed needs of people and livestock in war-ravaged countries; inability of the

TABLE 2. — Food and feed grains: World and U.S. exports, average 1950-54, annual 1959-60 and 1960-61 <sup>1/</sup>

Grain	Average 1950-51/1954-55			1959-60 <sup>2/</sup>			1960-61 <sup>3/</sup>		
	World total	United States		World total	United States		World total	United States	
		Total	Share		Total	Share		Total	Share
Food grains:	1,000 metric tons	1,000 metric tons	Per- cent	1,000 metric tons	1,000 metric tons	Per- cent	1,000 metric tons	1,000 metric tons	Per- cent
Wheat . . . . .	27,242	9,109	33.4	35,962	13,933	38.7	38,000	16,057	42.3
Rye . . . . .	1,042	71	0.7	820	135	1.6	800	127	1.6
Rice . . . . .	4,980	630	12.7	7,200	997	13.8	7,000	1,000	14.3
Total . . . . .	33,264	9,810	29.5	43,982	15,065	34.3	45,800	17,184	37.5
Feed grains:									
Corn . . . . .	4,901	2,653	54.0	11,900	5,853	49.2	10,500	6,100	58.1
Oats . . . . .	1,675	100	6.0	1,400	658	47.0	1,100	370	33.6
Barley . . . . .	5,462	741	13.6	6,500	2,572	39.6	5,800	1,850	31.9
Sorghums . . . . .	1,486	1,045	70.3	3,050	2,511	82.3	3,200	2,540	79.4
Total . . . . .	13,524	4,539	33.6	22,850	11,594	50.7	20,600	10,860	52.7
Grand total . . . . .	46,788	14,349	30.7	66,832	26,659	39.9	66,400	28,044	42.2

<sup>1/</sup> All exports except for rice are for July-June marketing years. Rice exports (milled basis) are for calendar years ending with the second year indicated in heading.

<sup>2/</sup> Subject to revision.

<sup>3/</sup> Forecast.



highly industrialized but grain deficit countries to finance their import needs because of war-debt problems and reduced export outlets for their industrial goods and raw materials; decision of those countries to reduce their dependence on imports by making themselves more self-sufficient; inadequate purchasing power in the underdeveloped countries; and continued high levels of production and increasing surplus stocks in surplus producing countries.

Before the world depression and declining world market prices for grains in the late twenties, tariffs constituted virtually the only trade restriction imposed on grain imports by deficit countries. In most cases they were imposed mainly for revenue purposes. About the only steps taken by surplus producing countries were those designed to maintain and expand export outlets, such as agreements with deficit countries to secure favorable tariff treatment and various financial aids to producers.

Since then a long list of other measures have come into existence. As a result, price and quality are no longer the main considerations determining the volume of grain entering world trade. Instead, the level of international competition now is determined by complex administrative decisions of governments or quasi-government agencies over which producers, importers, and exporters have little or no control. These now constitute the most important factors affecting the competitive status of U. S. grain and grain products in world markets.

Today, either because of a desire to assure producer incomes at levels approaching those prevailing in other segments of the economy or for international balance of payments reasons, numerous and complex measures have been adopted by virtually all deficit countries to control grain imports and make themselves more self-sufficient. Such measures are now recognized as a basic feature of their agricultural policies. For the same reasons, virtually all grain exporting countries have adopted measures to stimulate exports and protect the competitive status of their grain in world markets. In both instances, governmental import and export policies revolve around price supports for the home-grown product. As a result, world grain imports and exports today are fettered with more controls and aids than ever before in history.

Importing Countries. —Measures adopted by importing countries include price supports at much higher levels than those at which grain can be purchased from surplus producing countries; producer subsidies for production requisites; compulsory use of fixed percentages of home-grown grain; subsidies to mills, processors, and consumers to soften the impact of high support prices; internal price and marketing regulations; import controls, such as quotas, licensing systems, price equalization fees, and foreign exchange controls; bilateral agreements assuring markets to signatory exporting countries; and state import monopolies.

These measures have encouraged large increases in production, even though costs are higher than in exporting areas; production of high-yielding varieties at the expense of quality; maintenance of grain imports at a much lower level than would otherwise be the case; discriminatory practices with respect to sources of supply for needed imports; and such increases in production of low-grade home-grown wheat that in several instances governments have had to resort to subsidized diversion to feed use and export.

In addition, they have resulted in technical difficulties in making flour of desired quality because of frequent adjustments in milling procedures and changes in extraction and incorporation rates; compulsory payment by millers, processors, and feeders of higher than world market prices for both home-grown and imported grain; increased consumer prices for bread and livestock and meat prices, with unfavorable impacts on consumption; and heavy drains on national treasuries to cover costs of implementation. A few examples follow.

In Brazil, the most important wheat importing country in Latin America, flour mills are obliged to purchase the entire commercial crop each year at not less than a minimum price — \$2.17 per bushel for the 1960-61 crop. This is the price for good-quality home-grown wheat delivered in bulk at interior points and weighing 76 kilos per hectoliter. Premiums and discounts are set for variations from the standards.

TABLE 3. —Grains: Support prices in specified countries, 1960

Country	Prices in local units <u>1/</u>					
	Local units	Wheat	Rye	Corn	Barley	Oats
Algeria . . . . .	New francs per metric ton	2/ 490	--	--	325	--
Argentina . . . . .	Pesos per 100 kg.	<u>3/</u> 375	240	<u>3/</u> 290	<u>3/</u> 242.5	<u>3/</u> 242.5
Australia . . . . .	S. and d. per bushel	15s. 2d.	--	--	--	--
Austria . . . . .	Shillings per 100 kg.	4/ 252.6	232.6	--	--	--
Belgium . . . . .	Belgian francs per 100 kg.	<u>5/</u> 470	--	--	--	--
Brazil . . . . .	Cruzeiros per 60 kg.	1,100	--	<u>3/</u> 307.5	--	--
Canada . . . . .	Canadian dollars per bushel	1.40	--	--	.96	.60
Chile . . . . .	Pesos per 100 kg.	7,703	--	--	--	--
Colombia . . . . .	Pesos per carga <u>7/</u>	129	--	65	90	--
Costa Rica . . . . .	Colones per Spanish quintal	--	--	<u>8/</u> 21	--	--
Denmark . . . . .	Kroner per 100 kg.	49	47	--	--	--
Ecuador . . . . .	Sucres per Spanish quintal	99	--	--	--	--
Egypt . . . . .	Egyptian pounds per ardeb	<u>3/</u> 3.90	--	--	--	--
El Salvador . . . . .	Colons per Spanish quintal	--	--	7	--	--
Finland . . . . .	Finmarks per kg.	52.43	52.32	--	--	--
France . . . . .	New francs per 100 kg.	<u>4/</u> 40	32	36.8	32.2	--
Germany (West) . . . . .	Marks per metric ton	436.1	396.1	--	<u>8/</u> 388.8	<u>3/</u> 312.5
Greece . . . . .	Drachmas per kg.	2.92	--	--	--	--
Guatemala . . . . .	Quetzals per Spanish quintal	6	--	--	--	--
India . . . . .	Rupees per maund	13 to 16	--	--	--	--
Iran . . . . .	Rials per kg.	5	--	--	--	--
Ireland . . . . .	S. and d. per barrel <u>9/</u>	73s. 6d.	--	--	39s.	--
Italy . . . . .	Lire per 100 kg.	<u>4/</u> 6,450	--	--	--	--
Japan . . . . .	Yen per 60 kg.	2,264	--	--	<u>10/</u> 2,194	--
Kenya . . . . .	Shillings per 200 lb. bag	51.43s	--	37.80s.	--	--
Mexico . . . . .	Pesos per metric ton	913	--	800	--	--
Morocco . . . . .	Moroccan francs per 100 kg.	<u>2/</u> 3,900	--	--	1,900	--
Netherlands . . . . .	Guilders per 100 kg.	31.0	<u>11/</u> 27.7	--	<u>11/</u> 27.0	<u>11/</u> 25.75
New Zealand . . . . .	S. and d. per bushel	<u>12/</u> 14s. 1/4d.	--	--	--	--
Nicaragua . . . . .	Cordobas per fanega	--	--	<u>13/</u> 48.2	--	--
Norway . . . . .	Kroner per metric ton	900	830	--	700	610
Pakistan . . . . .	Rupees per maund	13.50	--	--	--	--
Panama . . . . .	Balboas per Spanish quintal	--	--	3.25	--	--
Portugal . . . . .	Escudos per kg.	3	2.4	2.2	1.8	--
Spain . . . . .	Pesetas per kg.	<u>14/</u> 4.97	3.65	3.50	3.40	3.00
Sweden . . . . .	Kroner per 100 kg.	47	43	--	--	--
Switzerland . . . . .	Swiss francs per 100 kg.	<u>15/</u> 65.4	57.0	--	--	--
Syria . . . . .	Syrian pounds per metric ton	<u>16/</u> 330	--	--	--	--
Tunisia . . . . .	Dinars per 100 kg.	<u>2/</u> 4.2	--	--	2.0	--
Turkey . . . . .	Kurus per kg.	50	42	--	<u>3/</u> 38	36
Union of South Africa . . . . .	S. and d. per 200 lb. bag	53s. 11d.	--	<u>3/</u> 30s. 11d.	--	--
United Kingdom . . . . .	S. and d. per cwt. (112 lbs.)	26s. 11d.	21s. 7d.	--	28s. 9d.	27s. 2d.
United States . . . . .	U.S. dollars per bushel	1.78	.90	1.06	.77	50
Yugoslavia . . . . .	Dinars per kg.	36	33	31	31	31

1/ Fixed or average guaranteed base prices for standard grades. The f. o. b. points vary. Some prices are subject to one or more deductions. Others are gradually increased by specified amounts during a designated period after harvest to offset farm storage costs. 2/ For Durum wheat. A lower price was fixed for soft wheat. 3/ Average for two types. 4/ For soft wheat. Higher prices designated for hard wheat. 5/ "Directional" (target) price. 6/ Converted at the January 31, 1961 free market exchange rate of 230 cr. = \$1.00. At the January 31, 1960 free market rate of 186.31 cr. per \$1.00, the 1959 support prices of 840 cr. for wheat and 260 cr. for corn per 60 kg. convert to \$2.05 and \$.59

TABLE 3. —Grains: Support prices in specified countries, 1960 (Continued)

Country	Dollar per bushel equivalents <u>1/</u>					
	Local units	Wheat	Rye	Corn	Barley	Oats
Algeria . . . . .	New francs per metric ton	<u>2/</u> 2.72	--	--	1.44	--
Argentina . . . . .	Pesos per 100 kg.	<u>3/</u> 1.23	.74	<u>3/</u> .89	<u>3/</u> .64	<u>3/</u> .42
Australia . . . . .	S. and d. per bushel	1.69	--	--	--	--
Austria . . . . .	Shillings per 100 kg.	<u>4/</u> 2.64	2.26	--	--	--
Belgium . . . . .	Belgian francs per 100 kg.	<u>5/</u> 2.56	--	--	--	--
Brazil . . . . .	Cruzeiros per 60 kg.	<u>6/</u> 2.17	--	<u>3/6/</u> .57	--	--
Canada . . . . .	Canadian dollars per bushel	1.42	--	--	.97	.61
Chile . . . . .	Pesos per 100 kg.	1.89	--	--	--	--
Colombia . . . . .	Pesos per carga <u>7/</u>	3.37	--	1.78	2.11	--
Costa Rica . . . . .	Colones per Spanish quintal	--	--	<u>8/</u> 2.09	--	--
Denmark . . . . .	Kroner per 100 kg.	1.93	1.73	--	--	--
Ecuador . . . . .	Sucres per Spanish quintal	3.45	--	--	--	--
Egypt . . . . .	Egyptian pounds per ardeb	<u>3/</u> 2.03	--	--	--	--
El Salvador . . . . .	Colons per Spanish quintal	--	--	1.55	--	--
Finland . . . . .	Finmarks per kg.	4.44	4.13	--	--	--
France . . . . .	New francs per 100 kg.	<u>4/</u> 2.22	1.66	1.91	1.42	--
Germany (West) . . . . .	Marks per metric ton	2.97	2.52	--	<u>8/</u> 2.12	<u>3/</u> 1.13
Greece . . . . .	Drachmas per kg.	2.65	--	--	--	--
Guatemala . . . . .	Quetzals per Spanish quintal	3.55	--	--	--	--
India . . . . .	Rupees per maund	1.98-2.44	--	--	--	--
Iran . . . . .	Rials per kg.	1.81	--	--	--	--
Ireland . . . . .	S. and d. per barrel <u>9/</u>	2.20	--	--	1.17	--
Italy . . . . .	Lire per 100 kg.	<u>4/</u> 2.82	--	--	--	--
Japan . . . . .	Yen per 60 kg.	2.86	--	--	<u>10/</u> 2.22	--
Kenya . . . . .	Shillings per 200 lb. bag	2.16	--	1.48	--	--
Mexico . . . . .	Pesos per metric ton	1.99	--	1.63	--	--
Morocco . . . . .	Moroccan francs per 100 kg.	<u>2/</u> 2.10	--	--	.82	--
Netherlands . . . . .	Guilders per 100 kg.	2.33	<u>11/</u> 1.94	--	<u>11/</u> 1.62	<u>11/</u> 1.03
New Zealand . . . . .	S. and d. per bushel	<u>12/</u> 1.94	--	--	--	--
Nicaragua . . . . .	Cordobas per fanega	--	--	<u>13/</u> 1.24	--	--
Norway . . . . .	Kroner per metric ton	3.42	2.95	--	2.13	1.24
Pakistan . . . . .	Rupees per maund	2.07	--	--	--	--
Panama . . . . .	Balboas per Spanish quintal	--	--	1.82	--	--
Portugal . . . . .	Escudos per kg.	2.84	2.12	1.94	1.36	--
Spain . . . . .	Pesetas per kg.	<u>14/</u> 2.25	1.54	1.48	1.23	.72
Sweden . . . . .	Kroner per 100 kg.	2.58	2.31	--	--	--
Switzerland . . . . .	Swiss francs per 100 kg.	<u>15/</u> 4.11	3.34	--	--	--
Syria . . . . .	Syrian pounds per metric ton	<u>16/</u> 4.10	--	--	--	--
Tunisia . . . . .	Dinars per 100 kg.	<u>2/</u> 2.72	--	--	1.04	--
Turkey . . . . .	Kurus per kg.	1.51	1.19	--	<u>3/</u> .92	.58
Union of South Africa . . . . .	S. and d. per 200 lb. bag	2.26	--	<u>3/</u> 1.21	--	--
United Kingdom . . . . .	S. and d. per cwt. (112 lbs.)	2.01	1.50	--	1.72	1.08
United States . . . . .	U. S. dollars per bushel	1.78	.90	1.06	.77	.50
Yugoslavia . . . . .	Dinars per kg.	1.31	1.12	1.05	.90	.60

per bushel. 7/ One carga wheat = 140 kg., one carga barley = 125 kg. 8/ Average for three types. 9/ One barrel wheat = 280 pounds, one barrel barley = 224 pounds. The price for barley is for feed barley. 10/ Average for common and naked barley. 11/ Target price for grain grown on clay soils. 12/ Average for the South Island and the North Island. 13/ Average of two grades of each of two types. 14/ Average for six types. 15/ Average for five types. 16/ Average for eight grades of hard wheat. Only one price fixed for soft wheat, which is lower than prices for best grades of hard wheat.



The government fixes the minimum quantity of home-grown wheat which each mill must purchase before it can obtain imported wheat. The government is the only legal importer. Supplies of imported wheat are allocated to each individual mill in accordance with consumption needs in its region. Combined requirements of domestic and imported wheat for calendar 1961 have been fixed at 2.4 million metric tons, of which 300,000 tons are domestic and 2.1 million tons imported wheat. Most of the imported wheat comes from the United States and Argentina.

Brazilian flour mills must purchase 30 percent of their fixed quotas of domestic wheat at not less than the indicated minimum price before the government will release supplementary supplies of imported wheat. The imported wheat is sold at a fixed price — currently \$1.05 per bushel. Once mills have purchased 30 percent of their fixed allocations of home-grown wheat for the year they are entitled to receive 50 percent of their fixed quota of foreign wheat. The last 50 percent can be obtained only after they have proved the purchase of the balance of their quotas of home-grown wheat.

In Germany the government fixes floor and ceiling prices for all locally produced grains, and rigidly controls imports. Monthly minimum and maximum producer prices are fixed for wheat, rye, and brewing barley, and annual minimum and maximum prices for oats and feed barley.

For wheat and rye, the minimum and maximum producer prices are fixed for each month of the year in four separate regions related to location of milling facilities and transportation costs from surplus to deficit areas. During 1960-61, for example, the national average minimum for wheat is \$2.97 per bushel and the maximum \$3.08. For feed barley, the minimum is \$1.96 and the maximum \$2.18 per bushel.

The Import Storage Agency is obliged to buy grain from producers whenever they are unable to obtain the guaranteed minimum on the open market. Correspondingly, the Agency is obliged to draw upon its stocks and sell grain in the open market whenever market prices rise above the fixed maximum.

Imports of individual grains are controlled quantitatively in accordance with annual supply and utilization programs. Import licenses are issued on the basis of bids submitted by private traders against government announcements authorizing imports of specified quantities. Licenses go to the lowest bidders. The licenses also specify the countries from which the grains may be imported, the grade and quality to be imported, and delivery periods.

Also affecting the quantities that may be imported are mixing regulations requiring the use — currently 75 percent — of domestic wheat in flour milling; compulsory purchases of home-grown rye, feed wheat, and feed barley as a condition for permits to import feed grains; and compulsory use of fixed percentages of home-grown rye in the manufacture of mixed feeds.

Also affecting the competitive status of U.S. bread and feed grains in the German market is the system of import levies or equalization fees. These are imposed on grain imports to equalize their prices with those guaranteed for the home-grown product. The actual levy, known as a skimming charge, varies in accordance with spreads between the c. i. f. price of the imported grain and a basic import price fixed from time to time by the government for each kind of grain. The importer sells the imported grain to the Import Storage Agency at his actual c. i. f. purchase price. The Agency immediately releases it to the importer at the c. i. f. price plus the skimming charge, the government pocketing the skimming charge.

Germany also obtains large quantities of grains under bilateral agreements. Such agreements are in force with France, Sweden, Czechoslovakia, Bulgaria, Australia, Ireland, Hungary, Rumania, and Russia for bread and feed grains, and with Burma, Bulgaria, and Spain for rice.

In the Netherlands, wheat imports are controlled mainly by means of compulsory utilization of home-grown grain and a quantitative limitation on wheat flour — 65,000 tons being permitted entry free of duty and any excess dutiable at 3 percent ad valorem. In addition, there

is a monopoly fee of 5.8¢ per bushel on wheat imports and 60.1¢ per 100 pounds on flour imported for human consumption. The purpose of the monopoly fees is to equalize the price of the imported product with that produced locally. The taxes are rebated on exports of flour and flour products. Flour millers currently must use 30-percent home-grown wheat purchased at the fixed support price. The producer support price for the 1960-61 wheat crop is \$2.33 per bushel.

The Netherlands maintains so-called producer floor prices for other grains — \$1.62 per bushel for barley, \$1.03 for oats, and \$1.94 for rye. In order to assure that Dutch producers will be able to sell their feed grain at these prices, and especially to prevent feed mills and livestock industries from importing all of their requirements, variable import levies have been imposed for several years on all feed grain imports, even on corn and grain sorghums which are not produced locally.

In that connection, a minimum c.i.f. import price is fixed for each of these grains as a basis for calculating the actual amount of the levy. The latter fluctuates in accordance with differences between the actual c.i.f. import price and the higher and fixed basic import price. Equivalent rebates are paid to exporters on re-exports of feed grains and on exports of products (including livestock and meat products) made from such grains. All grain imports are subject to import licenses.

Belgium controls wheat imports by means of compulsory utilization of home-grown wheat — 70 percent for the 1960 crop, but with a proviso that only 65 percent needs to be used if an equivalent amount of domestic wheat purchased at the existing support level is exported. Losses on such exports must be absorbed by the flour miller.

The Belgian monthly "target" prices for the 1960 wheat crop average \$2.56 per bushel. This price is payable on 700,000 metric tons. Quantities marketed in excess of that figure can be sold at whatever price the market will bring.

There are no price supports for home-grown feed grains. High support prices for home-grown wheat since the end of World War II and the low prices at which foreign feed grains could be purchased encouraged a substantial shift from feed grain to wheat production. As a result Belgian feed grain acreage declined. In order to reestablish a normal equilibrium between wheat and feed grain prices and production, the government in 1956 authorized a subsidy to farmers on the basis of the acreage planted to feed grains.

In 1957 a system of license taxes on feed grain imports was added. These serve to maintain the price of home-grown feed grains at desired levels. The license taxes — currently 68.8¢ per bushel for rye, 58.9¢ for barley, 39.3¢ for oats, 61.1¢ for corn and grain sorghums, and 73¢ for feed wheat — are payable by the importer at the time an import license is issued. Receipts from the tax are used to subsidize feed grain producers and to cover costs of diverting surplus wheat to feed use or into export channels.

In Italy, wheat growers each year are guaranteed a fixed price for a specified quantity of the crop. Wheat and flour imports are a state function, and can be made only on behalf of the State Federation of Agricultural Consortium. Imported wheat is sold to flour millers at the same price as home-grown wheat. However, flour millers are permitted to import wheat at world market prices to cover any exports of wheat products.

In recent years a burdensome surplus of soft wheat has developed. Domestic production of durum wheat, however, continues to fall short of requirements. The soft wheat surplus was disposed of by various export programs. Because of the poor 1960 crop, there will be no soft wheat export surplus this year. Total import requirements for soft and hard wheat in 1960-61 are estimated at 2.5 million metric tons — compared to 111,500 tons last year.

Government policy has been to discourage expansion in soft wheat production and encourage increased production of durum by maintaining a lower support price for the former than the latter. However, price supports for both types remain well above world market levels. The support price for the 1960 crop ranges from \$2.72 to \$2.94 per bushel for soft wheat and from \$3.53 to \$3.75 per bushel for durum, depending on producing area.

These are the prices guaranteed for compulsorily pooled wheat, i.e., the quantity that must be sold to the government. Compulsory deliveries of soft wheat in 1960-61 were reduced to 800,000 metric tons — 1.0 million tons last year — because of the poor 1960 crop. The delivery quota for hard wheat continues at 200,000 tons. Farmers can sell the rest of the commercial crop to private traders at whatever price they are willing to accept. However, prices received stay close to those fixed for compulsorily pooled wheat.

There are no price supports for feed grains. Feed grain production has been declining despite a steady increase in demand resulting from increasing domestic consumption of livestock and meat products. The government hopes to bring about an increase in production through increased yields and encouraging shifts from soft wheat to feed grains. Feed grains import requirements for 1960-61 have been placed at 2.5 million tons — mainly corn — compared with 2.0 million tons last year.

Due to the dollar exchange policy of the Italian Government, the U. S. share of the country's feed grain imports in recent years has been of minor importance. Imports from dollar countries have been restricted by means of licenses permitting unlimited imports from non-dollar areas — mainly Argentina, France, Yugoslavia, South Africa, Rumania, and Bulgaria for corn, and Australia, Argentina, North Africa, and Russia for barley — and very little if any from the dollar area. However, imports of oats from the dollar area were liberalized in June 1960. Corn and barley imports were partially liberalized on October 31, 1960, but only for 6-month periods — January-June for corn and November-April for barley. Imports of grain sorghums are prohibited from all countries.

Exporting Countries. — Measures adopted by grain deficit countries to expand production and curtail imports forced grain exporting countries, in turn, to adopt compensatory expedients to maintain their balance of payments and preserve or strengthen the competitive position of their grains in world markets. Such measures include government arrangements to purchase home-grown grains at guaranteed levels; operation of a two-price system, one for grain used domestically and another for grain that is exported; state monopolization of all activities associated with purchases of grain from growers and its subsequent sale for domestic consumption or for export; subsidies to stimulate exports and assure the competitive status of their grains in world markets; taxes on producers to help defray costs of subsidizing exports; arrangements for governments to absorb losses on exports; export sales on special terms or at favorable exchange rates; and barter and other bilateral agreements.

In the United States, price supports are authorized for all grains. The level of the supports is determined by parity formula. They are implemented primarily through loans to producers under which the grains are placed in approved storage as security. Producers may elect to sell such grain and pay off the loan, or surrender the grain to the Commodity Credit Corporation in payment of the loan.

In Canada, the Wheat Board, a government agency, has sole responsibility for marketing virtually all of the wheat, oats, and barley grown in the Province of Ontario west of the Lakehead ports of Fort William and Port Arthur, and in Manitoba, Saskatchewan, and Alberta and certain parts of British Columbia. The Board controls the marketing of about 99 percent of all the wheat and a slightly lower percentage of the barley and oats entering interprovincial and export trade. Growers in the indicated area are required to sell all of their commercial production to the Board, except quantities sold locally for seed and feed.



Each farmer receives an initial delivery quota based on the combined acreage he has seeded to wheat (except durum), oats, barley, rye, and cultivated forage, or has summer fallowed. Under this quota he is at liberty to deliver a stated number of bushels of wheats, oats or barley, or any combination of those grains per specified acre. As more storage space becomes available, supplementary quotas are allocated. The primary objectives of the delivery quota system is to ration available grain markets fairly among all producers and promote orderly movement into export and domestic sales positions.

Growers are guaranteed minimum prices at time of delivery. These prices are fixed each year for basic grades of wheat, oats, and barley on the basis of prospective market demand and other circumstances which in the judgment of the government may render a specific level of initial prices desirable. There is no price support for rye and corn. For the 1960 wheat crop the minimum is \$1.42 per bushel (U.S. currency) for deliveries of No. 1 Manitoba Northern at Fort William/Port Arthur or Vancouver. Prices for other types and grades are fixed in relation to those applicable for the basic grades.

Country elevators buy the wheat, barley and oats as agents of the Board. An elevator charge is deducted from the price. The Board sells the grain for domestic consumption and for export through its agents. Wheat is exported to countries in the International Wheat Agreement in conformity with current IWA prices and to other countries at the best price obtainable. Wheat for domestic consumption is sold at the same price as that quoted for export.

The administrative costs of operating the Board are paid out of proceeds of grain sales, and therefore by the farmers. Net profits realized by the Board during a season are returned to the farmer in the form of interim or final payments based on quantities and grades delivered. Should the Board sustain a loss, the farmer retains the initial guaranteed minimum and the government absorbs the loss. However, since initial prices have been below net realized prices since before World War II, the government has not been called upon to pay a subsidy. The government pays the cost of storing wheat on any carryover in excess of 178 million bushels owned and held by the Board on August 1 of each year.

Under Australia's Wheat Stabilization Scheme the Australian Wheat Board is the sole marketing agency for that grain. The Board each year fixes the producer price for all wheat sold for domestic consumption — approximately 60 million bushels — and for up to 100 million bushels sold for export. The price is based on the annually calculated average national cost of production. The support price for the 1960 crop is \$1.69 per bushel bulk basis, f.o.r. ports, for fair, average-quality wheat. This price is subject to premium and discounts in accordance with variations from f.a.q.

Farmers are required to sell their entire commercial production to the Board at the fixed price. Because of the shorter distance to world markets from Western Australia and correspondingly lower ocean freight costs, the Board pays producers in that State an additional 2.8¢ per bushel for wheat grown in and exported by that State.

The Board sells wheat for domestic consumption at a fixed price — \$1.72 per bushel for the 1960-61 crop. Exports are the sole prerogative of the Board. Exports to International Wheat Agreement countries are made at prices within the IWA range, and to other countries at the best price obtainable.

When the Board's export realizations exceed the fixed producer price, the excess, up to 16.8¢ per bushel is deposited in a Wheat Stabilization Fund. When they fall below the guaranteed minimum, this fund is drawn upon to pay farmers the difference. If the amount in the fund is insufficient for that purpose, the deficit is met by the Commonwealth Treasury.

Australia places considerable dependence for expansion in its wheat exports on trade agreements. Currently, it has trade agreements with the United Kingdom, Japan, Malaya, Ceylon, Indonesia, and West Germany. Small quantities of wheat are also disposed of under the Colombo Plan.

In Argentina, the National Grain Board is responsible for the general regulation of the grain trade, especially activities associated with the operation of a guaranteed minimum producer price. Until recently, the Board exercised monopolistic control over all phases of the grain trade. Its present marketing functions are confined largely to purchasing such quantities of grains from producers as they are unable to sell on the open market at the government's guaranteed minimum prices. It also runs terminal and regional elevators and sells grain from its stocks to the private trade for export.

Price supports for the 1960-61 crop have been fixed at an average of \$1.23 per bushel for wheat, \$0.89 for corn, \$0.64 for barley, \$0.74 for rye, and \$0.42 for oats. These are the prices f.o.b. railway, Buenos Aires, which the Grain Board guarantees to pay growers for grain of a specified standard. Producers are free to deal either with the Board on a guaranteed minimum price basis or to sell on the open market under a free competitive system.

Wheat and corn exports have long been Argentina's principal earners of foreign exchange and have been used by the government for many years as a means of adding to government revenues. For several years such revenues were obtained by application of a so-called *aforo* system. Under that system, a prescribed part of the foreign exchange obtained on exports had to be turned over to the government at an officially fixed exchange rate of 18 pesos to the dollar. Only foreign exchange obtained in excess of prescribed amounts could be negotiated at the free market rate.

The *aforo* system was abolished on January 14, 1959. Since then, all grain export operations have been made at the free market rate for the peso. However, exports are subjected to a "retention" tax, recently reduced from 20 to 10 percent, levied on the basis of index prices or export valuation fixed periodically by the government.

While Argentine exporters are not required to sell at the basic export prices fixed for calculating the retention tax, those prices act as a floor below which exports probably could not be made except at a loss. They also assure that the highest possible export price will be obtained in order to maximize Argentina's foreign exchange earnings. The reduction in export retentions was not only expected to enhance the competitive status of Argentine grains in world markets, but also to raise prices paid to producers by private traders, and encourage increased plantings.

Exports of grain, especially wheat and flour, are being facilitated also by means of bilateral agreements. Outstanding among these is an agreement for the sale of 1.0 million metric tons of wheat to Brazil annually. Argentina also has agreements with Chile, Peru, Bolivia, Paraguay, and several other countries.

In France, which in some recent years has ranked among the major Free World wheat exporters, the government fixes guaranteed producer prices for all bread and coarse grains. Farmers must sell their grain to dealers authorized to buy for the account of the French Cereals Office. Resale prices are also fixed by the Cereals Office. The latter, therefore, exercises a monopoly over purchases and subsequent sales, as well as over grain imports and exports.

French supports for the 1960-61 marketing season vary from \$1.80 to \$2.13 per bushel for soft wheat, depending on quantity delivered. This price is limited to a total of 6.8 million metric tons, referred to as the "quantum." Producer prices for deliveries of "non-quantum" wheat, which are sold for feed or for export, are fixed later in the year. During 1959-60 the price was \$1.30 per bushel. The support price for barley is \$1.42 per bushel and for corn \$1.91 per bushel. These prices are subject to small deductions for various taxes and storage and handling charges, including one known as a "resorption" tax. All price supports are for a specified standard grade. Premium and discounts apply for variations from the standard.

It is difficult to determine the level of French subsidies on exports of wheat and flour and other grains. Subsidies are required because the government's fixed producer prices are considerably higher than prices ruling on the world market, while domestic production normally is much larger than home consumption. Losses on exports of "quantum" wheat are covered at least in part from the "resorption" tax levied on producers at time of delivery and in part by the National Treasury. Receipts of the Cereals Office from its export sales of "non-quantum" wheat are pooled. Indications are that when they average higher than \$1.30 per bushel, farmers receive the difference in an additional final payment at the end of the season.

Bilateral Agreements.—A substantial part of the world's trade in grains has been tied up during the past decade under bilateral agreements between governments. The exact proportion carried on in this way cannot be stated. A safe estimate is that the market for a minimum of 4 million to 5 million metric tons of food and feed grains are thus closed to United States and other competing exporters annually. To that extent, these agreements place U. S. grains at a competitive disadvantage in many world markets.

Such arrangements include import quotas, exchange allocation, special contracts, and barter deals. Many of them provide that specified quantities will be purchased only in event satisfactory price arrangements can be concluded. Others merely provide that the importing country will facilitate in every way possible the purchase of the bulk of its imports from the other country without specifying quantities. Others actually specify kinds and qualities.

The main reasons why many countries seek to assure supplies or markets for grain under such arrangements are a desire to purchase as much of their requirements from nondollar sources as possible in order to conserve dollar resources; need of the exporting country to assure export outlets for surpluses of soft wheat resulting from high support prices; possibilities of facilitating exports of surplus grain in exchange or barter for needed imports of industrial goods and raw materials which cannot be produced at home; and possibilities for liquidating debts owed by the grain exporting country to the importing country, and vice versa. Following are a few examples:

(1) Argentine and Brazilian agreement of July 30, 1957, under which the latter agrees to take 1.0 million metric tons of Argentine wheat annually, the wheat to be purchased in the open market but with Argentine assurance of supplies from government stocks if not available in the open market.

(2) USSR and West German agreement of December 30, 1960, under which the latter commits itself to import 150,000 metric tons of wheat and 150,000 tons of feed grain from Russia during calendar 1961. Quantities to be imported in 1962 and 1963 were to be determined in subsequent annual negotiations.

(3) Australian and West German 3-year agreement of October 6, 1959, under which the latter gave Australia a 1959-60 quota of 250,000 metric tons of feed grains — mostly oats — and 150,000 tons of wheat, with the understanding that 50,000 tons or more of the wheat was to consist of high protein wheat if available. Quantities for later years were to be determined by subsequent negotiations.

(4) Australian and Japanese agreement of July 6, 1957, under which sales opportunities in Japan for Australian soft white wheat of f. a. q. or lower grade and of high protein wheat were widened considerably. Japanese purchases of f. a. q. soft white wheat were to total at least 200,000 long tons in the first year but were to be increased annually until they reached 500,000 tons. The quantity involved in 1959-60 was 300,000 tons.

(5) Australian and Ceylonese agreement late in 1960, under which the latter commits itself to purchase 100,000 long tons of Australian flour annually during 1961 and 1962.



(6) French and West German agreement early in 1959, under which the latter undertakes to import 650,000 metric tons of grain — mainly wheat from France and Algeria in 1959, 700,000 tons in 1960, 725,000 tons in 1961 and 775,000 tons in 1962.

(7) Australian and United Kingdom agreement under which the latter assures the former a market for at least 750,000 long tons of wheat and flour annually.

(8) USSR and Finland's agreement of November 24, 1960, under which the latter commits itself to import 145,000 metric tons of Russian wheat during calendar 1961, 25,000 tons of rye, and 30,000 tons of corn.

(9) Argentine-Chilean agreement, under which the latter agrees to purchase most of its wheat import requirements from Argentina. Chilean import requirements range around 200,000 metric tons annually.

(10) Swedish and West German agreement, under which the latter committed itself to take 100,000 metric tons of Swedish soft wheat and 200,000 tons of other grains annually during a 3-year period ending with 1960-61.

(11) French-Moroccan agreement, under which Morocco agrees to purchase 125,000 metric tons of French soft wheat and France agrees to purchase 85,000 tons of Moroccan hard wheat during 1960-61.

(12) Tunisian and French agreement, under which the latter agrees to purchase up to 150,000 tons of durum wheat and 30,000 tons of barley annually from Tunisia at prevailing support prices in France.

(13) Argentine and Paraguayan agreement, under which the latter agrees to purchase 70,000 metric tons of Argentine wheat or flour annually.

(14) Italian and USSR agreement of December 28, 1957, under which Italy agreed to take substantial quantities of durum wheat and small quantities of feed grains from Russia during each of the four years ending with 1961. The 1961 durum wheat quota is 200,000 metric tons.

Common Market. — The objectives of the European Common Market and proposals for their accomplishment are such as to justify concern about the ability of the United States to maintain wheat and feed grain exports to that area at usual levels. Questions of special interest are (1) future levels of EEC price supports for home-grown grains; (2) levels of protection (tariff and nontariff) that will be adopted to maintain producer prices; (3) extent to which such measures will encourage increased production within the EEC and reduce import needs; and (4) the impact of such measures on the effective demand for U. S. grain and grain products not only within the EEC but in other world markets as well.

The six countries comprising the European Economic Community constitute in the aggregate a very important market for U. S. exports of wheat and feed grains. During the 5-year period ending with 1959-60, when U. S. exports of wheat and flour to all countries averaged 12.2 million metric tons grain equivalent, approximately 13 percent went to the EEC area. In the same period, U. S. exports of feed grains to all countries averaged 9.0 million tons, with 39 percent going to the EEC area.

U. S. exporters must meet competition in the EEC area from grain and grain products imported from many non-EEC countries, especially Canada, Argentina, Australia, Russia, Danube Basin countries, the Middle East, South Africa, and non-member countries in Western and Northern Europe. The area's average imports during the past 5 years from all countries totaled 5.2 million metric tons of wheat and flour (grain equivalent), of which 27 percent came from the United States. Feed grain imports in the same period averaged 7.6 million tons, of which 39 percent came from the United States.



TABLE 4. —Wheat and feed grains: EEC imports from all countries and from the United States, average 1955-56 through 1959-60

Common Market countries	Wheat and flour <u>1/</u>			Feed grains		
	Total	From United States		Total	From United States	
		Total	Share		Total	Share
	1,000 metric tons	1,000 metric tons	Percent	1,000 metric tons	1,000 metric tons	Percent
Belgium-Luxembourg	464.6	94.7	20.4	1,261.7	687.9	54.5
France . . . . .	793.0	260.5	32.8	353.7	96.8	27.4
West Germany . . . . .	2,581.9	596.0	23.1	2,824.5	813.5	28.8
Italy . . . . .	366.9	51.4	14.0	1,082.3	66.9	6.2
Netherlands . . . . .	1,014.6	395.5	39.9	2,063.2	1,303.5	63.2
Total . . . . .	5,221.0	1,398.1	26.8	7,585.4	2,968.6	39.1

1/ Grain equivalent.

The overall EEC objectives with respect to grains are to expand production and make the area as a whole as nearly self-sufficient as possible; eliminate all impediments to intra-Community trade; and assure the profitability of local grain production.

Proposals for their accomplishment include (1) establishing a Common Market with all the characteristics of a domestic market; (2) stabilizing total wheat production at current levels but with increased emphasis on production of durum wheat and common wheat of high baking quality; (3) adopting measures to facilitate disposal of export surpluses of common or feed wheat; (4) expanding feed grain production, especially by increased yields and shift from wheat to feed grains; (5) assuring the profitability of grain production by means of guaranteed target prices, with the EEC Grain Office authorized to intervene by purchases whenever the market situation requires such action; (6) imposing, in addition to customs duties, such variable levies on imports from non-member states as are necessary to offset differences between world market prices and the EEC target prices; and (7) adopting measures to expand intra-Community trade in grains.

Total EEC consumption of wheat for human food has not increased appreciably during the past several years — declining per capita consumption being offset by increased population. On the other hand, domestic production has increased greatly as a result of high price supports, increased yields, and control over imports. The result has been greatly increased supplies of home-grown wheat for domestic use (much of it for feed) and for export. The EEC export surplus of common and feed wheat is expected to amount to about 2.5 million metric tons annually for the next several years.

The import demand for higher quality wheat and durum wheat remains fairly steady. While the supply position varies greatly from country to country, the area as a whole is now somewhat more than 80 percent self-sufficient for wheat. All of the Six except France are deficit producers. Except in years of poor crops, the latter has a large exportable surplus.

Total EEC consumption of feed grains has been increasing by about 1.0 million tons annually. The increased requirements reflect upward trends in consumption of livestock and meat products as a result of improvements in consumer purchasing power and increasing livestock numbers. While some of the increased requirements has been met by increased domestic production, resulting from high support prices and import controls, the area still must depend on outside sources of supply for fully 25 to 30 percent of its feed grain requirements.

Summary. — Government intervention with respect to grains now has become so widespread that no importing or exporting country any longer remains unaffected. The cumulative effect has been a serious disturbance to traditional patterns of world grain production, marketing, and price. It has meant uneconomic production and overproduction; high bread prices or consumer subsidies to lower them; increased consumer prices for livestock and meat products; interference with exports on the normal basis of quality and price; accumulation of burdensome surpluses in major exporting countries; intermittent export surpluses in traditional deficit countries; heavy drains on national treasuries in both deficit and surplus producing countries; and frustration in many instances of efforts to promote expansion in the world's grain trade and better utilization of grain and grain products.

### **Overcoming Dollar Shortages**

When Congress 6 years ago enacted Public Law 480 the primary objective was to facilitate the movement into export channels of the large surpluses of food and feed grains which had been accumulated by the Commodity Credit Corporation. This involved adoption of procedures (Title I, P. L. 480) to facilitate the sale of grains to foreign countries that needed, but did not have, the gold reserves to pay for them. Under that program, countries short of dollars are able to pay for U. S. grain and grain products in their own currencies with the U. S. Government taking over the currencies and paying U. S. exporters in dollars.

It also involved use of CCC-owned commodities to meet urgent and extraordinary relief requirements abroad (Title II, P. L. 480); and donations to needy persons in friendly foreign countries and barter deals (Title III, P. L. 480). In addition, Congress authorized sales for foreign currencies under the Mutual Security Act of 1954 (as amended) administered by the International Cooperation Administration.

While the export movement of U. S. grains under such programs has met with marked success, expansion in dollar sales — drastically reduced in recent years because of dollar shortages — continues to receive special emphasis. Dollar sales constituted only 26 percent of the wheat and flour exported in 1959-60 and 39 percent of the rice. Dollar exports of feed grains represented 72 percent of the total. Sales for dollars are expected to be considerably larger in 1960-61.

Another important factor expected to contribute to increased sales for dollars is the U. S. foreign trade and economic policy which aims at giving other countries the opportunity to earn the dollars needed for purchasing U. S. products. A substantially increased level of dollar exports is likely to be achieved also within the framework of the Trade Agreements Program and under credit programs of the Export-Import Bank and the Commodity Credit Corporation. General improvement in the balance of payments situation in many countries and establishment of external convertibility of currencies also favor increased dollar sales.

### **Wheat**

World Production, 1960-61. — World wheat production in 1960-61 is tentatively estimated at 225.9 million metric tons (8.3 billion bushels), the second highest on record. The record was 236.6 million tons (8.7 billion bushels) in 1958-59. Last year's production totaled 221.8 million tons (8.2 billion bushels).

The large 1960-61 outturn was mainly the result of greatly increased yields and production in the United States and Canada, where the combined crop was 316 million bushels larger than last year — 240 bushels larger in the United States and 76 million bushels larger in Canada. Also contributing to the increase was a record Australian crop, estimated at 245 million bushels — 56 million more than a year ago; a record 260-million-bushel crop in Turkey; and a moderately larger African crop, mainly because of a record outturn in Algeria.

TABLE 5. —Grain and Grain Products: U. S. exports under special programs and dollar sales, 1958-59 and 1959-60 (July-June)

Programs	1958-59				1959-60		
	Wheat	Rye	Rice	Coarse grains	Wheat	Rye	Rice
	Million bushels	Million bushels	1,000 metric tons	1,000 metric tons	Million bushels	Million bushels	1,000 metric tons
Public Law 480:							
Title I, sales for foreign currency . . .	230.8	4.7	176.1	1,392.9	303.1	-	447.8
Title II, disaster relief. . . . .	10.9	-	3.1	97.0	10.7	-	24.6
Title III, Sec. 416:							
Donations. . . . .	20.2	-	33.6	236.7	24.3	-	64.7
Barter. . . . .	20.2	.2	91.3	638.5	25.5	-	34.2
Mutual Security, Section 402, sales for foreign currency . . . . .	20.1	-	2.5	-	13.0	-	7.3
Cash sales . . . . .	141.2	3.6	340.1	8,522.4	133.0	5.3	361.8
Total. . . . .	443.3	8.5	646.7	10,887.5	509.6	5.3	940.4
							11,593.8

Sources: Various agencies responsible for exports under specified programs, and Bureau of the Census, Department of Commerce. Cash sales represent a residual, i. e., total exports as reported by Bureau of the Census less total shipments under specified programs.

TABLE 6.—Wheat: World production by area, average 1950-54, annual 1958-60

Area	Average 1950-54	1958	1959	1960 (Preliminary)
	Million bushels	Million bushels	Million bushels	Million bushels
North America . . . . .	1,654	1,883	1,594	1,905
Western Europe . . . . .	1,150	1,345	1,410	1,315
Eastern Europe . . . . .	490	515	645	585
USSR (Europe and Asia) . . . . .	1,240	2,300	1,900	1/
Asia . . . . .	1,765	1,910	1,905	1,965
Africa . . . . .	185	195	200	205
South America . . . . .	305	330	290	275
Oceania . . . . .	186	222	206	255
World total . . . . .	6,975	8,700	8,150	8,300

1/ Tentative unofficial estimate included in world total.

It is still too early for a satisfactory estimate of the 1960-61 crop for Asia as a whole. In the Near East, Turkey had a record crop, but production in most of other Near Eastern countries was considerably lower. In the Far East, production is reported as slightly lower in India and South Korea but somewhat higher in Pakistan and Japan. Indications are that Communist China, normally the world's fourth most important producer, had a very poor crop. Recent purchases from Australia and Canada and efforts to obtain additional supplies indicate a critical supply in Mainland China this year.

European production, exclusive of Russia, was 155 million bushels under last year's record — 95 million lower in Western Europe and 60 million lower in Eastern Europe. Moreover, much of the crop in both areas was damaged by excessive moisture at harvest time. Because of unfavorable weather, Russian production is believed to have been well under last year's estimated total of 1.9 billion bushels.

South American production was substantially lower than a year ago, mainly because of a poor crop in Argentina — unofficially estimated at about 160 million bushels compared with 215 million last year. This reduction was partly offset by a much better but still below average crop in Uruguay, which suffered crop failures in both of the two preceding years.

World Export Prospects, 1960-61.—Because of greatly reduced wheat crops in Western and Eastern Europe, Russia, the Near East, and South America, and indications of a critical shortage in Communist China, world exports of wheat and flour in 1960-61 are likely to be at least 100 million bushels larger than the 1,321 billion bushels exported last year. The previous record was 1,328 billion bushels in 1956-57.

The severe crop failure in Communist China this year had already resulted in purchases of over 80 million bushels from Australia and Canada by the end of February. At that time, negotiations were underway for additional purchases. Supplies in India and Pakistan are still far from adequate, and imports this year will be substantially larger, especially by Pakistan.

European import requirements are also much larger. Italy and Spain, both exporters under the International Wheat Agreement, have to import substantial quantities. France, also an IWA exporter, has substantially lower export availabilities of soft wheat and will have to increase its imports of hard wheat. Import requirements in Portugal, Yugoslavia, and Greece are much larger. While production in most other countries of Free Europe was the same or somewhat larger than a year ago, much larger than normal quantities will have to be imported because of moisture damage to the local crop.



Because of reduced production, import requirements of Near Eastern countries (Iran, Iraq, Syria, Lebanon, Jordan, and Israel) are also larger this year. Despite a bigger crop in Turkey, current indications are that the country continues as a substantial importer this year because of failure of growers to make deliveries to Toprak, the country's grain buying agency.

Fortunately, combined export availabilities in the principal exporting countries, although lower in Argentina, France, and Russia, are far more than sufficient to cover the world's increased import needs. In fact, even after the needs are met, the combined June 30, 1961 carryover in the United States, Canada, Argentina, and Australia is likely to be fully as large as, if not larger than, the aggregate July 1, 1960 level of 2.2 billion bushels. That carryover alone was almost 800 million bushels larger than the world's total 1960-61 import requirements.

Total supplies in the United States in 1960-61 amount to 2,684 million bushels, about 255 million bushels more than a year ago. This estimate is based on a July 1, 1960, carryover of 1,314 million bushels, a new crop 1,363 million, and probable imports of 7 million bushels (mostly wheat unfit for human consumption). Deducting estimated domestic disappearance of 609 million bushels (for food, seed, industrial and feed use), leaves 2,075 million bushels for export or carryover, 13.8 percent more than a year ago. U.S. exports in 1960-61 (July-June) are expected to reach 590 million bushels compared with 510 million bushels last season.

In Canada, with an estimated August 1, 1960, carryover of 538 million bushels plus a new crop of 490 million, supplies for the current season totaled 1,028 million bushels, about 65 million bushels more than a year ago. Allowing 150 million bushels for domestic use, leaves 878 million for export or carryover, 7.7 percent more than a year ago. Exports during 1960-61 (August-July) are expected to total at least 320 million bushels compared with 278 million last year.

Because of reduced acreage, a small carryin, and a poor crop, Argentine wheat supplies this year are currently estimated at no more than 187 million bushels compared with 266 million last year. This estimate is based on a December 1, 1960, carryin of 27 million bushels and an unofficially estimated crop of about 160 million bushels. Some estimates place the crop as low as 147 million bushels. Domestic requirements total at least 140 million bushels. Even on the basis of a 160-million-bushel crop, exports during the country's 1960-61 (December-November) marketing season could hardly exceed 30 million bushels compared with 88 million bushels last season, unless year-end stocks are reduced to dangerously low levels.

Australia, on the other hand, has substantially larger export availabilities. Total supplies during that country's 1960-61 (December-November) marketing year, with comparable figures for 1959-60 shown in parentheses, are currently estimated at 318.6 (265.9) million bushels. This estimate is based on a December 1, 1960, carryover of 63.6 (67.4) million bushels and a new crop of 255 (198.5) million. Deducting 75.0 (78.7) million bushels for local disappearance — for food, feed, seed, etc. — leaves 243.6 (187.2) million bushels for export or carryover. Mainly because of large shipments to Communist China, Italy, and Spain, exports during 1960-61 (December-November) are expected to reach 175.0 (123.6) million bushels. This would mean a December 1, 1961, carryover of 68.6 (63.6) million bushels.

The French exportable surplus is considerably lower than a year ago because of the substantially reduced carryin and crop, the latter estimated at 400 million bushels against 425 million last year. Moreover, a larger-than-usual proportion of the exports will be for feed use because of excessive moisture. The French Cereal Office early in February estimated the country's supply and distribution for 1960-61, with figures for 1959-60 shown in parentheses, as follows: August 1 commercial stocks, 54.3 (80.3) million bushels; anticipated deliveries to the Cereals Office 268.2 (245.2) million; imports, 11.0 (insignificant) million; domestic use, 202.9 (205.6) million; anticipated exports 57.0 (65.6) million; and July 31, 1961 stocks 73.6 (54.3) million. In order to fulfill export obligations, France recently purchased U.S. wheat for shipment to Algeria.

No firm estimate of 1960-61 exports from Russia is possible as yet. In view of indications of a lower crop in 1960, it may be assumed that the season's exports are not likely to exceed the estimated 180 million bushels exported last year. More than 90 percent of these exports went to Sattelite countries in Eastern Europe. The balance went mainly to Western Europe — notably Finland, Netherlands, Norway, the United Kingdom, and Sweden.

U. S. Export Prospects, 1960-61. — The export movement of U.S. wheat and flour during 1960-61 is expected to reach an alltime record of 590 million bushels, grain equivalent, compared with 508 million in 1959-60. The previous high was 550 million bushels in 1956-57. Exports through February 1961 were already 120 million bushels ahead of the 295 million bushels exported during the corresponding 9 months of 1959-60.

World Exports, 1959-60. — World wheat and flour exports reached an estimated total of 36.0 million metric tons, grain equivalent, in 1959-60 (July-June) compared with 35.6 million tons in 1958-59 and the 1951-54 average of 27.2 million tons. The alltime record was 36.2 million tons in 1956-57. (A metric ton equals 36.743 bushels.) The general trend in exports has been upward, mainly because of population increases and steady improvements in consumer purchasing and dietary habits in underdeveloped areas. The United States, Canada, Russia, Australia, Argentina, and France continued as the leading exporters, accounting for 93.4 percent of the total.

Outstanding features of the year's trade include the following: (1) Large increases in exports from the United States, Australia, and France; (2) reduced exports from Canada and Argentina; (3) continued high level of exports from Russia, although substantially less than in 1958-59; (4) a large reduction in exports from Turkey, Syria, and Sweden; (5) a large increase in exports from West Germany; and (6) a substantial reduction in exports from several traditionally deficit countries in Western Europe, especially Italy, Spain, Greece, and Ireland, where soft wheat production was so increased by high supports and other government incentives that action had to be taken in immediately preceding years to divert surpluses into export channels and feed use.

Asia figured as the leading destination of the 1959-60 exports, taking 32 percent of the total compared with 27 percent a year earlier. Principal increases were in exports to Pakistan, Japan, the Near East, Malaya, and Korea. Shipments to India remained at approximately the 1958-59 level.

Exports to Western Europe showed a larger reduction, that area taking only 30 percent of the world total compared with 35 percent a year earlier. Import requirements were smaller, owing to a record 1959 crop, mainly soft wheat. The trend in Europe is toward a greater measure of self-sufficiency, largely because of national agricultural policies and technological progress. However, the area as a whole continues to depend on imports for quality wheat for blending with locally produced soft wheat.

World exports to Latin America and African deficit countries increased substantially, notably to Uruguay, Venezuela, Peru, Algeria, Morocco, Tunisia, and Libya.

U. S. Exports, 1959-60. — Exports of wheat and flour from the United States in 1959-60 exceeded 13.9 million metric tons (508 million bushels), grain equivalent — the second largest on record. This represented 38.4 percent of the world's total. Exports in 1958-59 amounted to 12.1 million tons (443 million bushels). The alltime record was 14.9 million tons (549 million bushels) in 1956-57.

Asia continued as the largest regional outlet, taking 259 million bushels, or more than half the total. India was by far the most important buyer, although taking 7.0 million bushels less than the 122 million bushels taken a year earlier. Shipments to Japan were slightly under the preceding year's level of 34 million bushels. There were small reductions also in exports to the Philippines, Lebanon, Vietnam-Laos-Cambodia, and Ceylon.

TABLE 7. —Wheat and flour: World exports by principal exporting areas, average 1935-39 and 1951-55, annual 1959-60

Origin	Average 1935-39		Average 1951-55		1958-59		1959-60 <u>1/</u>	
	Total	Share	Total	Share	Total	Share	Total	Share
	1,000 metric tons	Per- cent	1,000 metric tons	Per- cent	1,000 metric tons	Per- cent	1,000 metric tons	Per- cent
Major exporters:								
United States. . . .	1,538.4	9	9,108.6	33	12,066.0	34	13,932.6	39
Canada. . . . .	4,481.2	26	8,038.4	30	8,177.0	23	7,600.1	21
Australia. . . . .	2,890.1	17	2,668.1	10	2,045.7	6	3,312.4	9
Argentina. . . . .	3,328.7	19	2,205.0	8	2,797.2	8	2,109.0	6
France. . . . .	568.3	3	1,091.7	4	1,055.3	3	1,766.6	5
U. S. S. R. . . . .	624.2	3	1,721.7	6	5,996.8	17	4,900.0	14
South America <u>2/</u> . .	109.6	1	189.6	<u>3/</u>	129.9	<u>3/</u>	--	--
Eastern Europe <u>3/</u> . .	1,674.3	10	315.0	<u>1</u>	72.8	<u>3/</u>	160.2	1
Western Europe <u>4/</u> .	657.5	4	360.7	2	2,513.3	<u>1</u>	1,814.2	5
Africa . . . . .	500.0	3	471.6	2	287.9	1	158.8	<u>3/</u>
Asia. . . . .	970.0	5	718.0	3	466.5	1	208.3	<u>3/</u>
Others, Unspecified.	58.4	-	353.1	1	--	-	--	--
World total. . .	17,400.7	100	27,241.5	100	35,608.4	100	35,962.2	100

1/ Indications as of Jan. 1, 1961. Subject to revision. Final world total likely to be slightly larger.

2/ Excluding Argentina which is shown separately.

3/ Less than 1/2 percent.

4/ Excluding France which is shown separately.

TABLE 8. —Wheat and flour: Destination of world exports, fiscal years 1957-60

Destination	1956-57	1957-58	1958-59		1959-60 <u>1/</u>	
			Total	Share	Total	Share
	1,000 metric tons	1,000 metric tons	1,000 metric tons	Per- cent	1,000 metric tons	Per- cent
North and Central						
America and Caribbean. .	1,094.6	1,135.8	993.1	3	1,023.5	3
South America. . . . .	3,022.5	2,188.6	3,032.2	8	3,228.5	9
Western Europe. . . . .	14,912.7	11,920.4	12,503.5	35	10,635.7	30
Eastern Europe. . . . .	5,141.0	4,856.7	5,842.9	16	5,292.6	15
Africa. . . . .	1,597.9	1,880.2	3,036.4	9	3,296.1	9
Asia. . . . .	9,501.1	9,766.7	9,538.4	27	11,701.0	32
Oceania. . . . .	344.2	352.0	274.3	1	282.1	1
Unspecified. . . . .	537.9	295.8	387.6	1	502.7	1
World total. . . . .	36,152.0	32,396.2	35,608.4	100	35,962.2	100

1/ Indications as of Jan. 1, 1961. Subject to revision. Final world total likely to be slightly larger.



These reductions, however, were offset by greatly increased shipments to Pakistan and Turkey, substantially increased shipments to South Korea, Indonesia, Taiwan, Jordan, and Syria, and small increases in shipments to Israel and Arabia.

Because of the large 1959 crop in Europe, the second most important regional outlet, exports to that area were down by about 22 million bushels from the 1958-59 level of 128 million. There was a large increase in exports to Poland, and substantial increases in exports to Italy, Spain, Switzerland, and Portugal. But these were more than offset by large reductions in exports to Yugoslavia and West Germany, substantial reductions in exports to Scandinavian countries, the United Kingdom, and France and smaller reductions in exports to most other European markets.

On the other hand, exports to Latin American markets were more than 25 million bushels over the 1958-59 level of 58 million, mainly because of greatly increased exports to Brazil and Uruguay, and substantial increases in exports to Venezuela and Bolivia. These increases more than offset substantial reductions in exports to Peru and Colombia and small reductions in exports to several countries in the Caribbean area.

TABLE 9. —Bread grain: U. S. exports by area destinations, 1958-59 and 1959-60

Destination	1958-59			1959-60		
	Wheat and flour	Rye	Total	Wheat and flour	Rye	Total
	1,000 m. t.	1,000 m. t.	1,000 m. t.	1,000 m. t.	1,000 m. t.	1,000 m. t.
Western Hemisphere. . .	546.7	6.1	552.8	607.0	1/	607.0
South America. . . . .	1,083.4	--	1,083.4	1,724.0	--	1,724.0
West Europe. . . . .	2,295.0	87.5	2,382.5	1,801.4	133.8	1,935.2
East Europe. . . . .	1,192.9	121.3	1,314.2	1,081.5	--	1,081.5
Africa. . . . .	769.0	--	769.0	1,587.4	--	1,587.4
Asia. . . . .	6,177.2	--	6,177.2	7,061.1	--	7,061.1
Oceania. . . . .	0.9	--	0.9	1.4	--	1.4
Unspecified. . . . .	0.9	--	0.9	68.8	--	68.8
Total. . . . .	12,066.0	215.6	12,281.6	13,932.6	133.8	14,066.4

1/ Less than 50 metric tons.

Exports to African markets showed a large increase, amounting to almost 59 million bushels compared with 28 million a year earlier. The principal increase was in exports to Egypt. Substantial increases in exports to the Canary Islands, Morocco, Tunisia, Libya, and Nigeria more than offset reductions in shipments to Algeria and the Union of South Africa.

### Rice

World Situation, 1961. —The upward trend in world rice production since the end of World War II is expected to continue. However, the rate of increase, which has averaged about 3 percent annually during the past 12 years, now appears to be leveling off to some extent. Various estimates indicate that the growth of population and real income now require an annual increase of about a 2.5 percent in cereal grain production. If this is the case, world rice production should be about adjusted to current world conditions.

Immediately following World War II, increases in acreage devoted to rice culture largely represented reclamation of former paddy land that had been dropped from production because of the war. This period was shortly followed by one of substantial efforts to bring new tracts into production by constructing water facilities or, indirectly, from the development of hydro-electric plants.

While the rate of increase was relatively high for a while, it is interesting to note that practically all production increases during the past 50 years have come from additions to planted acreage rather than from any significant increase from unit production yields. In fact, acreage went up over 60 percent during that period, while yields remained fairly constant.

It now appears likely that improvement in yields during the decade immediately ahead will be more of a factor than the addition of new acreage, except to the extent that double cropping of rice may be increased in the Asian area. Such shifting of emphasis to improved cultural methods and better yields may slow up the annual rate of production increases for a time. However, anticipated production increases during the next 5 or 10 years should be sufficient to cover any increase that can be expected in consumption requirements.

Prices of rice continued to decline in 1960 but showed a smaller percentage of loss than in 1959. Some recovery was evidenced after the midyear. In some instances, prices at the end of December were a bit higher than at the corresponding date a year earlier. The market was featured again by substantial forward sales under government contracts in the Asian area — more than 1.5 million metric tons having been contracted before the end of December for 1961 delivery. For sizable portions of these advanced sales, prices advanced about 3 percent over last year's contracts.

For the first 3 months of 1961, world prices for both long and medium grain varieties were steady, with some advances for top grades and qualities. Prices of short grain varieties have been firm. With current rates of demand and supplies available to exporters, it is likely that prices in 1961 will hold reasonably firm at about December levels, and that broken rice and by-products will move at better than the January-March prices of last year.

World Production, 1960-61. —World rice production in 1960-61 is tentatively estimated at an alltime record of 487.6 billion pounds, rough rice basis, compared with 480.6 billion pounds in 1959-60 and the 1951-55 average of 395.0 billion pounds. The previous record was 486.6 billion pounds in 1958-59.

World production has been increasing steadily for more than a decade. Both increased acreage and yields contributed to the trend. Compared with the 1951-55 average of 257.1 million acres, the world's total rice area increased to 283.8 million in 1959-60 and 288.6 million in 1960-61, increases of 10.3 and 12.2 percent, respectively. Acreage yields during the period increased from the 1951-55 average of 1,536 pounds to 1,727 pounds in 1959-60, but dropped to 1,694 pounds in 1960-61, increases of 12.4 and 10.3 respectively.

Largely because of lack of definite information on the extent of the crop damage in Communist China, which ranks second in total acres sown to rice, it is impossible to give a firm estimate of the crop in that country. Despite increased acreage, the outturn is not likely to have exceeded the estimated 1959-60 level of 155.0 billion pounds by more than a small margin, if at all. For the rest of Asia, production was around 4.9 billion pounds larger than last year, mainly because of substantial increases in India and Japan and smaller increases in Burma, Thailand, Viet Nam, and the Philippines.

In North America, large increases in the United States and Mexican crops and a small increase in Costa Rica more than offset reductions in the Caribbean area. In South America, substantial increases in the Colombian and Venezuelan crops were offset by reductions in several other countries. European production was down because of much smaller crops in Italy, France, Greece, and Spain. Production in Africa is down considerably from a year ago, mainly because of a large reduction in Egypt.

TABLE 10. —Rice (rough): World production by area, average 1951-55, annual 1958-59 through 1960-61

Region	Average 1951-55	1958-59	1959-60 <u>1/</u>	1960-61 <u>1/</u>
	Million pounds	Million pounds	Million pounds	Million pounds
North and Central America and the Caribbean. . . . .	6,515.5	6,455.4	7,363.5	7,411.0
South America. . . . .	9,897.6	12,323.1	13,208.9	13,155.2
West Europe. . . . .	3,238.8	3,237.1	3,277.8	3,015.7
East Europe. . . . .	335.2	399.9	397.8	386.0
Africa. . . . .	7,918.0	8,970.7	11,219.1	11,080.5
Asia. . . . .	366,070.5	453,800.0	443,577.8	450,910.8
Oceania. . . . .	268.0	375.4	402.0	392.0
Total. . . . .	394,974.6	486,760.0	480,650.0	487,560.0

1/ Preliminary and subject to revision.

World and U.S. Export Prospects, 1961. —The steadily increasing demand for rice against Free World sources was evidenced during 1960 when world trade in rice continued its advance despite production increases. The end of 1960 saw no build-up of surplus rice stocks in exporters' hands. In fact, year-end stocks in Thailand, South Viet Nam, and Taiwan were lower than a year earlier.

Free World rice supplies available for export in 1961 from current production will not exceed last year's level in total. In some individual instances they will be less. In addition it is likely that 1961 supplies for export from Communist China will be far less than last year because of unfavorable weather conditions. Should the 1961 total world trade fall below the 1960 level, the reduction will be accounted for largely by reduced marketings from Mainland China. Exports from Free World sources in 1961 are likely to be just as high or even higher than a year ago.

Imports by major rice deficit areas, such as Pakistan, India, Indonesia, and Ceylon, are expected to remain at the high levels of 1960. One of the outstanding factors of the international rice market during the past few years has been the doubling of the total rice imports of these four countries since 1956. This increase alone represents about a fifth of the total world trade in rice.

U.S. exports of rice in 1960-61 (August-July) will exceed last year's shipments, but will be substantially below the record export of 1956-57. Cash sales under the Payment-in-Kind program to the Middle East, Europe, Africa, and the Western Hemisphere should show further increases. Exports to Canada, a noneligible PIK destination, will perhaps fall somewhat below those of a year ago. Cuba for the present remains outside of the U.S. rice trade and will secure such of its import supplies as may be authorized by the government from other world sources. It is quite likely, however, that the rice will not be of the type and quality preferred by Cuban consumers.

On the basis of U.S. rice acreage allotments in effect on March 1, 1961, U.S. exports will be lower next year (1961-62) because of a reduction in carryover stocks. Shipments against government programs will be the export category most affected by this reduction in supplies.

World Exports, 1960. —Although complete details of the world's trade in rice during calendar 1960 are not yet available, current indications are that the total exceeded the 1959 level of 142 million cwt. The postwar record was 146 million cwt. in 1956.



World exports during 1936-40, which may be taken as the immediate pre-World War II average, amounted to 174.0 million cwt. annually. But of that amount, substantial quantities — as high as 15.0 million cwt. in some years — were used for feeding livestock. Very little has been exported for that purpose since then because of high world market prices.

Outstanding features of the calendar 1960 trade include a large increase in U.S. exports, most of the increase on concessional terms; greatly increased imports by Asian countries, notably India, Indonesia, and Pakistan; a marked reduction in exports by Communist China; and substantially increased exports by Burma, Thailand, Cambodia, and South Viet Nam.

TABLE 11. —Rice (milled): World exports, calendar years, average 1951-55, annual 1957-59

From	Average 1951-55	1957	1958	1959
	Million pounds	Million pounds	Million pounds	Million pounds
North and Central America and the Caribbean . . . . .	1,423	1,756	1,327	1,584
South America . . . . .	405	255	339	246
Europe (West and East) . . . . .	755	702	939	667
U. S. S. R. . . . .	10	74	1/	1/
Africa . . . . .	360	744	1,013	195
Asia . . . . .	7,955	10,229	10,274	11,384
Oceania . . . . .	71	68	95	115
World Total . . . . .	10,979	13,828	14,037	14,241

1/ Estimate of exports, if any, included in total.

U.S. Exports, 1959-60. —U.S. exports during this country's 1959-60 marketing season (August-July) totaled 20.6 million cwt., the second highest on record, compared with 13.7 million cwt. in 1958-59. The alltime record was 26.2 million cwt. in 1956-57. Exports under special programs, especially sales for foreign currencies, nearly tripled those of 1958-59. However, exports for dollars were the highest since 1954-55, accounting for nearly 40 percent of the total.

TABLE 12. —Rice (milled): U.S. exports by area destination, 1956-57 through 1959-60

Destination	1956-57	1957-58	1958-59	1959-60
	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.
Western Hemisphere. . . . .	5,019	5,895	4,835	5,029
Europe . . . . .	870	227	2,372	2,267
Asia . . . . .	17,610	5,769	4,243	10,050
Africa . . . . .	267	293	1,567	1,526
Oceania . . . . .	47	52	50	64
Others 1/ . . . . .	2,337	700	673	1,641
Total . . . . .	26,150	12,936	13,740	20,577

1/ Includes Section 416 donations.

Over half of the exports went to 3 countries — India (21 percent), Indonesia (16 percent), and Cuba (15 percent). Exports to Western Europe were somewhat lower than a year earlier, mainly because of greatly reduced shipments to West Germany — 678,000 cwt., compared with 1.1 million cwt. in 1958-59. This reduction, however, was offset to a large extent by greatly increased sales to the Netherlands and the United Kingdom.

Despite greatly reduced exports to Cuba — 3.1 million cwt. compared with 4.1 million cwt. in 1958-59 — shipments to the Latin American market as a whole were larger than a year earlier because of greatly increased exports to Peru, Venezuela, and Mexico. Exports to African countries were slightly lower, mainly because of a large reduction in shipments to French West Africa and a smaller reduction in shipments to Egypt. Exports to virtually all other African markets show large increases.

### **Feed Grains**

In line with rapidly increasing livestock numbers, upward trends in consumer purchasing power, and increasing consumption of meat, eggs, other poultry products, and dairy products in many countries, world feed grain production and utilization have risen markedly in recent years. This has resulted in a large increase in the quantities of feed grains moving from surplus to deficit countries because production increases in the latter have not kept pace with increasing requirements.

World Production, 1960-61.—Excluding grain sorghums, for which foreign production figures are not available, the world's 1960-61 production of feed grains (corn, oats, and barley) is estimated at 336.2 million metric tons. Over 40 percent of the total was produced in the United States. This is 10.6 million tons larger than last year's total and 73.3 million tons larger than the 1950-54 average (table 2).

The sharp upward trend in production reflects not only an increasing world demand but also higher yields per acre resulting from use of better seed, increased use of fertilizers, and other improvements in cultural practices, and enterprise of producers in both importing and exporting countries in taking advantage of government price supports and other feed grain production incentives. Also contribution to the production increases, especially in the highly industrialized but feed grain deficit countries, is governmental encouragement of expansion in livestock enterprises by means of price supports, import controls, production subsidies, and, in several instances, export subsidies for livestock and meat products.

World corn production in 1960-61 reached an alltime record of 8.1 billion bushels compared with 7.9 billion last year. This represents an increase of 43 percent over the 1950-54 average of 5.7 billion bushels. The increase is the result mainly of larger outturns in South America, North America, and Europe, especially in Argentinian, Brazil, the United States, and France.

Most of the world's corn is fed to livestock on farms where grown or converted into concentrated feed. Only relatively small quantities are ground into flour or meal for human consumption, although use for human food is still important in parts of Latin America, Africa, and Asia. Considerable quantities are also manufactured into such products as glucose, starch, oil, alcohol, and breakfast foods. The world demand for all of these purposes serve to keep corn in top position as the world's most important coarse grain export.

The world's 1960-61 oats crop is estimated at 3.9 billion bushels, an increase of 5 percent over last year's small crop but about 6 percent under the 1950-54 average. The increase over a year ago reflects a much larger outturn in the United States and Canada and substantially larger crops in several West European countries and in Australia and Turkey.

Oats are used primarily as feed for livestock on farms where grown. Comparatively little enters into world trade. However, a substantial portion of the world's crop, especially better qualities, is ground into oatmeal or manufactured into rolled oats and breakfast foods for human consumption.

This year's world barley production is estimated at 3.4 billion bushels, almost 100 million bushels more than last year and 700 million bushels above the 1950-54 average. Reductions in North America, Eastern Europe, Asia, and South America were more than offset by a record crop in Western Europe, a large increase in Australia, and a small increase in Africa.

TABLE 13. —Corn: World production, by area, average 1950-54, annual 1958-60

Area	Average 1950-54	1958	1959	1960 (preliminary)
	<u>Million bushels</u>	<u>Million bushels</u>	<u>Million bushels</u>	<u>Million bushels</u>
North America. . . . .	3,331	4,097	4,589	4,622
Western Europe. . . . .	201	280	297	330
Eastern Europe . . . . .	387	470	703	645
U. S. S. R. (Europe and Asia) . . . . .	190	600	425	590
Asia. . . . .	710	880	855	845
Africa . . . . .	385	470	465	460
South America. . . . .	450	590	540	600
Oceania . . . . .	5	7	7	8
Total . . . . .	5,660	7,395	7,880	8,100

TABLE 14. —Oats: World production by area, average 1950-54, annual 1958-60

Area	Average 1950-54	1958	1959	1960 (preliminary)
	<u>Million bushels</u>	<u>Million bushels</u>	<u>Million bushels</u>	<u>Million bushels</u>
North America. . . . .	1,707	1,822	1,490	1,624
Western Europe. . . . .	1,020	870	842	890
Eastern Europe . . . . .	355	375	383	370
U. S. S. R. (Europe and Asia) . . . . .	835	900	750	1/
Asia. . . . .	110	100	105	120
Africa . . . . .	21	11	9	10
South America. . . . .	67	70	80	75
Oceania . . . . .	45	110	61	80
Total. . . . .	4,160	4,260	3,720	3,920

1/ Not available. Allowance included in total.

Barley has two main uses — in livestock feeding and in the malting industry for beer. Consumption as human food is relatively small, although barley is used in some countries to supplement supplies of rice and wheat. Feed barley constitutes the greater part of the world's crop. As a feed grain it competes in world markets with corn, oats, lowgrade wheat, rye, and grain sorghums. Its cost in relation to these grains is a dominant factor in its movement into export channels.

Grain sorghums have been produced and used for many centuries in Asia and Africa as a staple item of human food — either as flour for bread baking or as whole grain for cooking — and to some extent for feeding livestock and beer making, the latter especially in Africa. Up until recent years the principal producing areas were China, Russia, India, former French Equatorial and French West Africa, Nigeria, Ethiopia, Uganda, Sudan, Egypt, and the Union of

TABLE 15. —Barley: World production, by area, average 1950-54, annual 1958-60

Area	Average 1950-54	1958	1959	1960 (preliminary)
	<u>Million bushels</u>	<u>Million bushels</u>	<u>Million bushels</u>	<u>Million bushels</u>
North America. . . . .	519	728	656	639
Western Europe. . . . .	561	793	905	985
Eastern Europe . . . . .	214	237	280	265
U. S. S. R. (Europe and Asia) . . . . .	350	440	380	1/
Asia. . . . .	805	830	820	805
Africa . . . . .	150	140	125	130
South America. . . . .	65	75	80	70
Oceania . . . . .	34	68	39	71
Total. . . . .	2,700	3,310	3,285	3,380

1/ Not available. Allowance included in total.

South Africa. The United States, Argentina, and Australia now must also be included. Since production statistics are not available for most countries, an estimate of world production cannot be made.

However, production has expanded greatly during the past quarter century. Much of the increase has been in the United States, where introduction of hybrids and acreage allotments for wheat and cotton made grain sorghums a profitable enterprise. Production in Argentina and Australia has also increased. The increase has been mainly for feeding livestock because of the growing demand for feed grains in world markets, relative cheapness of sorghums compared with other feed grains, and their use in making prepared feed mixtures.

Since the late forties, Western Europe has been the main importer, now taking around 2.5 million metric tons a year, over 86 percent from the United States and the remainder chiefly from Argentina, Australia, and South Africa. Before that time, feeding of sorghums was virtually unknown to West European farmers.

World and U. S. export prospects, 1960-61.—World exports of feed grains in 1960-61 are not likely to reach the record 1959-60 level of 22.9 million metric tons, mainly because of large 1960 feedgrain crops in Western Europe and the large proportion of the wheat crop that is being diverted to feed use because of moisture damage and poor quality for bread making. However, world exports for the year are not likely to fall below 20.6 million tons compared with the 1950-54 average of 13.5 million tons. The United States is expected to supply about 53 percent of the total. Europe will continue as the principal market.

A continued high level of import demand is expected for another 5 or 10 years, but the annual rate of increase will not be as large as that which characterized the years since 1954. World trade has increased by approximately 1.5 million metric tons annually since 1954. That the increase is likely to be at a lower rate in the years immediately ahead is indicated by plans of the European Economic Community to make that area less dependent on outside sources of supply, and by efforts in several European countries to bring about shifts from wheat to feed grains and to increase the efficiency and utilization of grasslands.

Factors indicating a continued high level of demand include expected further improvements in the balance of payments situation in deficit countries; continued upward trends in consumption of livestock and meat products in both the highly industrialized but feed deficit countries



and in the less developed countries of Asia, Latin America, and Africa as their populations and per capita incomes increase; and expected failure of feed grain production in deficit countries to keep pace with growing requirements.

Expectation that local production in deficit countries will not keep pace with increasing requirements is based on the belief that no more than a moderate expansion will take place as long as price supports in most of those countries continue to favor wheat production; and on indications of continued intentions, especially by European governments, to encourage expansion in livestock production because of the importance of livestock and meat products in the incomes of their farmers and in their export trade.

The most important factor in the future world demand for imported feed grains will be the general level of economic activity in deficit countries. This is a factor of prime importance in consumer demand for meat, eggs, other poultry products, and dairy products, and thus in the demand for feed grains.

TABLE 16. —Feed grains: World exports by principal countries, average 1950-54, annual 1955-56 through 1959-60

Year beginning July 1	United States	Canada	Australia	Argentina	Others	Total
	1,000 <u>m. t.</u>	1,000 <u>m. t.</u>	1,000 <u>m. t.</u>	1,000 <u>m. t.</u>	1,000 <u>m. t.</u>	1,000 <u>m. t.</u>
Average: 1950-54 . . . . .	4,539	2,600	659	1,561	4,165	13,524
Annual:						
1955-56 . . . . .	7,686	1,620	721	1,275	4,328	15,630
1956-57 . . . . .	6,372	2,175	775	2,085	6,392	17,799
1957-58 . . . . .	8,448	2,155	493	2,283	6,297	19,676
1958-59 . . . . .	10,893	2,095	1,083	2,861	5,272	22,204
1959-60 <u>1/</u> . . . . .	11,594	1,547	868	3,953	4,888	22,850

1/ Preliminary and subject to revision.

World and U.S. Exports, 1959-60.—World feed grain exports during 1959-60 reached an alltime record of 22.9 million metric tons compared with 22.2 million tons in 1958-59 and an average of 13.5 million tons for the 5 years ending with 1954-55. The United States supplied 51 percent of the total compared with 49 percent the preceding year and the average of 34 percent. Corn, as usual, was the world's most important feed grain export, accounting for 52.1 percent of the 1959-60 total followed by barley with 28.5 percent, grain sorghums with 13.4 percent, and oats with 6.0 percent (table 2).

The principal exporters competing with the United States in world markets were Argentina, Yugoslavia, the Union of South Africa, Mexico, and Thailand for corn; Canada, Australia, France, Argentina, the United Kingdom, and Denmark for barley; Argentina, the Sudan, Australia, and the Union of South Africa for grain sorghums; and Argentina, Australia, and Canada for oats.

West Europe continued as the leading buyer, taking 73 percent of the world's total exports. Despite a much larger feed grain crop in West Europe in 1959, exports to that market were larger than a year earlier because of serious drought damage to fall pastures and root crops and smaller supplies of feed wheat as a result of the good quality of the area's 1959 wheat crop.

Increased exports to West Europe more than offset a reduction in exports to markets in the Western Hemisphere and Asia. World exports to African and East European countries showed a slight increase over the preceding year.

U.S. feed grain exports in 1959-60 totaled 11.6 million tons, an alltime high, most of it going to Europe. As a group, the Common Market countries figured as an outlet for 4.8 million metric tons of the U.S. total. This represented 54 percent of the U.S. exports to West Europe and 41 percent of the exports to all destinations.

TABLE 17. —Feed grains: World exports by destinations, fiscal years, annual 1956-57 through 1959-60

Destination	1956-57	1957-58	1958-59		1959-60	
			Total	Share	Total	Share
	1,000 m. t.	1,000 m. t.	1,000 m. t.	Percent	1,000 m. t.	Percent
North America, Central America and Caribbean . . .	1,718	2,760	1,563	7	1,250	5
South America . . . . .	196	269	203	1	371	2
West Europe . . . . .	12,048	12,835	16,219	73	16,674	73
East Europe . . . . .	1,082	961	790	4	861	4
Africa . . . . .	219	228	269	1	345	1
Asia . . . . .	2,190	2,266	2,769	12	2,647	12
Oceania . . . . .	16	5	3	1/	1	1/
Unspecified . . . . .	330	352	388	2	701	3
World total . . . . .	17,799	19,676	22,204	100	22,850	100

1/ Less than half of 1 percent.

TABLE 18. —Feed grains: U.S. exports, by area of destination, 1958-59 and 1959-60

Year and destination	Corn and corn products	Oats and oatmeal	Barley and malt	Grain sorghums	Total
	1,000 m. t.	1,000 m. t.	1,000 m. t.	1,000 m. t.	1,000 m. t.
1958-59:					
Western Hemisphere . . . . .	888	36	135	17	1,076
Europe . . . . .	3,776	424	1,857	1,963	8,020
Africa . . . . .	53	2/	12	24	89
Asia . . . . .	766	2	537	400	1,705
Oceania . . . . .	--	--	--	--	--
Unspecified . . . . .	2	1	--	--	3
Total . . . . .	5,485	463	2,541	2,404	10,893
1959-60: 1/					
Western Hemisphere . . . . .	812	31	181	17	1,041
Europe . . . . .	4,283	625	2,124	2,216	9,248
Africa . . . . .	152	2/	34	60	246
Asia . . . . .	605	2	233	218	1,058
Oceania . . . . .	1	--	--	--	1
Unspecified . . . . .	--	--	--	--	--
Total . . . . .	5,853	658	2,572	2,511	11,594

1/ Preliminary and subject to revision.

2/ Less than 1,000 metric tons.

## DRY EDIBLE BEANS AND PEAS

Major shifts have occurred in world production and trade in dry edible beans and peas in recent years. Declining exports of beans from East Europe and decreasing production of peas in West Europe, together with expanding demand for imports of both commodities in Latin America, have caused sharp expansion in U. S. exports of both beans and peas.

### Beans

**World production, 1960.** —Production of dry edible beans in 1960 in 28 reporting countries totaled 93.2 million bags of 100 pounds each — up 8 percent from the 1959 level of 86.2 million bags and 27 percent above the 1950-54 average.

These estimates exclude production in Communist China, the USSR, Satellite countries of Eastern Europe, and nonreporting countries in Africa for which production data are not available. However, the belief is that the world's total outturn in 1960 probably was in the neighborhood of 130 million bags compared with an estimated 120 million in 1959.

In North America, the 1960 production totaled 32.7 million bags — a decline of 3 percent from the 33.7-million-bag crop of 1959. This reduction reflects mainly smaller U.S. and Mexican crops. U.S. production was down 2 percent from the 18.2 million bags produced in 1959. Mexican production declined 4 percent from 11.5 million bags in 1959. Production in Canada, a smaller producer, was down 13 percent from the 1959 crop of 700,000 bags.

European production, with 10 countries reporting, was down 6 percent, with an aggregate outturn of 15.2 million bags. The reduction was due mainly to a smaller Yugoslav crop — 3.5 million bags compared with 5.0 million a year earlier — and a 4-percent reduction in the Italian crop — 3.9 million bags against 4.1 million a year earlier. Smaller reductions took place in Portugal, West Germany, Belgium, and Austria. The Spanish crop of 2.7 million bags remained about the same. However, the French crop of 2.5 million bags was up 32 percent from last year's low level. Substantially larger crops were harvested also in Greece and the Netherlands.

Production in South America, was up 30 percent, owing to a large increase in Brazil. That country's crop is reported at 35.3 million bags compared with last year's low crop of 26.5 million. The Chilean crop was substantially larger — 1.9 million bags compared with 1.5 million, but the Colombian crop was substantially lower — 1.0 million bags compared with 1.2 million bags. The Argentine crop was slightly larger than the preceding year.

TABLE 19. —Dry edible beans: Acreage and production by area in reporting countries, average 1950-54, annual 1958-60

Area	Acreage				Production			
	Average 1950-54	1958	1959	1960	Average 1950-54	1958	1959	1960
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 bags 1/	1,000 bags 1/	1,000 bags 1/	1,000 bags 1/
North America. . . . .	4,512	5,609	5,397	5,337	25,723	32,608	33,699	32,720
Europe. . . . .	3,355	3,077	3,094	2,852	11,831	13,696	16,167	15,251
Asia . . . . .	623	674	576	545	3,677	5,934	6,707	6,536
South America. . . . .	5,257	5,688	6,166	6,100	32,269	36,110	29,676	38,678
Total . . . . .	13,747	15,048	15,233	14,834	73,500	88,348	86,249	93,185

1/ Bags of 100 pounds.

Asian production was down 3 percent from a year earlier — 6.5 million bags compared with 6.7 million, mainly because of a 12-percent reduction in the Japanese crop. The Turkish crop was 7 percent larger than a year earlier, while that in Syria and Lebanon remained about the same.

World and U.S. Export Prospects, 1960-61. —Sufficient data are not available to justify a firm estimate for world exports of dry edible beans in 1960-61. The latest available figure is 8.5 million bags for calendar 1959, when the United States accounted for 52.3 percent of the total. The United States has ample supplies of white beans for export this year. However, there is less-than-normal export availability in East Europe, Chile, and Japan, all major sources of supply for the big importers of West Europe. In view of these factors and uncertain conditions in Cuba, world exports in 1960-61 (July-June) are not likely to exceed 7.5 million bags.

The ample exportable supplies of white beans available in the United States this year have been moving slowly thus far, partly because of sizable stocks held by European canners. However, heavier movements should start soon. The United States has long been the major exporter of colored beans, most of the exports going to Cuba, Mexico, and Venezuela. Due largely to the Cuban situation and the slow movement to Europe, sizable stocks of pea beans, Red Kidneys, and small reds are on hand in the United States.

Total U.S. exports of dry edible beans in 1960-61 (July-June) are not expected to exceed 3.3 million bags compared with 3.9 million bags in 1959-60. Probably 2.0 million bags will be exported for dollars and the balance under such special programs as relief and Food-for-Peace. As usual, most of the exports will be to the Latin American and European markets.

For colored beans, the U.S. export outlet depends mainly on developments in Cuba and Latin America generally. Economic improvements in Latin America and removal of trade restrictions there would expand outlets substantially. For white beans, much depends upon development in the European canning industry. Canning of beans by U.S. companies in the United Kingdom has increased that market by 1 million bags in less than 10 years. Some American companies have recently established canning facilities on the Continent. If the results there are as effective as in the United Kingdom the long-term export outlook is good, especially for canning type beans.

### Peas

World Production, 1960. —Production of dry edible peas in 1960 by 19 reporting countries totaled 11.7 million bags of 100 pounds each — down 13 percent from the 1959 total of 13.5 million bags. The 1950-54 average was 12.6 million bags. The reduction was due largely to a decline in acreage in North America, Africa, and Europe combined with weather damage in North America and Europe.

The indicated total for 19 reporting countries does not represent the world's total outturn. However, virtually all important importers and exporters are included. If crop figures were available for Communist China, India, the USSR, the Satellite countries of Eastern Europe, and other nonreporting countries, the world's total production would probably range around 100 million bags.

Production in North America was down about 29 percent compared with 1959. In the United States, the largest producer among the 19 reporting countries, the 1960 crop amounted to only 3 million bags — down 34 percent from the preceding year. Last year's low prices and large carryover resulted in a 10-percent acreage reduction. Moreover, yields in Washington and Idaho were reduced by hot weather in July. Despite reduced acreage, Canada's crop — 609,000 bags — was up by 3 percent because of favorable weather and increased yields.



Output in Latin America totaled 707,000 bags — up 39 percent from 1959. The increase took place in Argentina and Chile, which together produced 700,000 bags. These countries harvest their peas at the time the Northern Hemisphere is planting.

In Europe, 11 reporting countries produced 6.3 million bags — down 3 percent from 1959 and 10 percent from the 1950-54 average. Acreage was down 1 percent from 1959. Unfavorable weather reduced yields and damaged the quality of the crop in some of the major producing areas, particularly in the Netherlands — the largest European producer and exporter. Production was down 2 percent in the Netherlands, 15 percent in the United Kingdom, 5 percent in France, and 3 percent in Belgium.

In Africa, the combined 1960 crop in Morocco and Algeria totaled only 653,000 bags compared with 842,000 bags in 1959. Production in Japan and Turkey, the only reporting country in Asia, was down 13 percent and up 60 percent, respectively, from the previous year.

TABLE 20. —Dry, edible peas: Acreage and production, by area in reporting countries, average 1950-54, annual 1958-60

Area	Acreage				Production			
	Average 1950-54	1958	1959	1960	Average 1950-54	1958	1959	1960
	1,000 <u>acres</u>	1,000 <u>acres</u>	1,000 <u>acres</u>	1,000 <u>acres</u>	1,000 <u>bags 1/</u>	1,000 <u>bags 1/</u>	1,000 <u>bags 1/</u>	1,000 <u>bags 1/</u>
North America	301	275	377	307	3,589	4,166	5,195	3,680
Europe	497	559	402	389	7,017	8,902	6,520	6,332
Asia	29	33	35	32	291	395	417	366
South America	97	105	110	109	852	542	510	707
Africa	168	139	151	103	876	372	842	653
Total	1,092	1,111	1,075	940	12,625	14,377	13,484	11,738

1/ Bags of 100 pounds.

World and U. S. Export Prospects 1960-61. —As in the case of beans, no firm estimate of the world's 1960-61 (July-June) exports of dry edible peas can be made at this time. In calendar 1959, the latest year for which data are available, world exports totaled 6.3 million bags, the United States accounting for 30 percent of the total. Current indications are that world exports in 1960-61 are likely to be substantially less than last year. The bulk of the exports will go to the European market, especially the United Kingdom and West Germany.

Judging from the relatively slow U. S. export movement during the first 5 months (August-December) of the current marketing season — 993,000 bags against 1,175,000 bags in the same months a year ago —, total U. S. exports in 1960-61 probably will not exceed 2.0 million bags compared with 2.2 million bags in 1959-60. The slower export movement to date probably reflects substantial carryover stocks of U. S. peas in European countries purchased at low prices from the large U. S. crop in 1959-60, and an abnormally large pack of fresh canned peas in England in 1959 and 1960.

## GRASS AND LEGUME SEEDS

While world production and trade figures are not available, the United States is probably the world's largest producer and exporter of seeds. Its exports include grass and legume seeds, and vegetable, sugar beet, and flower seeds. Of these, grass and legume seeds are by far the most important, accounting for about 55 percent of the 1959-60 total.

World Production, 1960. —The 1960 production of most kinds of grass and legume seeds in Europe was substantially below that of 1959, and consequently that area is expected to require large imports in 1960-61. Canada, on the other hand, reports a good harvest and will be an important exporter. In most Latin American countries, the production of legume and grass seeds is not sufficient to meet the demand. These countries are expanding forage production and are, therefore, expected to import larger quantities of forage crop seeds each year. The same situation holds true for Japan. The overall seed situation in Australia and New Zealand is about the same as for the previous year. The 1960 production and carryover of most kinds of grass and legume seeds in the United States is well above 1959.

Canadian production of alfalfa, clover, and grass seeds totaled about 96 million pounds in 1960 compared with last year's crop of only 80 million pounds and the 1950-59 average of 73 million pounds. The largest increases compared with a year ago and the 10-year average were for clover seed, timothy, creeping red fescue, alfalfa, and meadow fescue.

Except for creeping red fescue, the June 30, 1960, carryovers were equal to or above both the 1959 and the average levels. The carryover of creeping red fescue was lower than a year ago but above the average. The alfalfa seed carryover amounted to 2.0 million pounds compared with 1.5 million on June 30, 1959.

Reports from Denmark, an important seed exporter, indicate that the 1960 production of grass and legume seeds was considerably under normal. Crops suffered from drought early in the season, while abnormal rainfall during the harvest season interfered with cutting, curing, and threshing. The 1960-61 clover seed production and carryover are estimated at only about 11.0 million pounds against 15.0 million last season, a reduction of 30 percent.

West Germany is the most important market in Europe for grass and legume seeds. In 1960-61, Germany is expected to be in the market for large quantities of legume seeds as a result of an almost complete failure of the alfalfa and clover seed crop. That country normally imports large quantities of perennial ryegrass seed. This year (1960-61), however, import requirements are estimated at 5.3 million pounds compared with 7.0 million pounds last year. This is partly explained by the carryover, which amounted to 1.2 million pounds as of June 30, 1960, compared with 750,000 pounds a year ago. Germany is expected to import large quantities of red top, bentgrass, bluegrass, timothy, and meadow fescue this year.

The Netherlands is a major producer and exporter of Kentucky bluegrass, Chewings fescue, creeping red fescue, and ryegrass seeds. This year, yields and production of these first three were especially good but the quality was down. Production of other grass seed is reported to be about 20 percent under 1959. Production of alfalfa and clover seed is not important and import requirements of these seeds are expected to be the same as in 1959.

Italy's 1960 production of alfalfa and red clover seed is down 30 and 10 percent, respectively, compared with last year. Production of crimson clover is also 30 percent under 1959, but Ladino clover is up about 8 percent. The drop in production of crimson clover is attributed to frequent excessive precipitation in northern Italy and very dry weather in central Italy. Italy imported large quantities of alfalfa, clover, and grass seeds from the United States in 1959-60. In view of the unfavorable crop this year, it may again be a good customer in 1960-61.

Data are not available on 1960 seed production in the United Kingdom. It is believed, however, that unfavorable weather at harvesttime reduced yields to some extent. Stocks of red clover seed on hand as of June 30, 1960, totaled 13 million pounds as compared with only a little more than half a million pounds a year ago. Stocks of alfalfa, orchardgrass, meadow fescue, timothy, creeping red fescue, and Chewings fescue were also larger. Smaller stocks were reported for perennial ryegrass, common ryegrass, white clover, and alside clover.

Japan's production of grass and legume seeds is of minor importance, although requirements are increasing as a result of the expanding livestock industry. Red clover is the most

important forage crop in Japan. This year's production of 200,000 pounds will meet only 15 percent of requirements. The 1960-61 red clover import requirements are estimated at more than 1.0 million pounds. Production of Ladino clover, orchardgrass, and Italian ryegrass in 1960 was extremely small, and about 1.5 million pounds of these seeds will need to be imported. Japan buys the bulk of its grass and legume seed imports from the United States. In 1959-60, it imported over 2.0 million pounds of these seeds from the United States, of which about 1.0 million pounds were red clover.

World and U. S. Export Prospects, 1960-61.—Preliminary information on this year's production and carryovers of grass and legume seeds in principal producing countries indicates that, with the exception of the United States and Canada, supplies during the 1960-61 marketing season will be considerably below normal. Canada and the United States, on the other hand, harvested good crops and large quantities are moving into export channels.

Current indications are that U. S. exports of these seeds during 1960-61 will reach an all-time record of 60.0 million pounds compared with 46.2 million pounds in 1959-60 and the average of 25.8 million pounds during the 5 years ending with 1955-56. The previous record was 50.0 million pounds in 1954-55.

TABLE 21.—Seeds: U. S. exports, quantity and value,  
average 1946-55, annual 1957-59

Year (beginning July 1)	Grass and legume	Other field	Seed corn	Vegetable	Sugar beet	Flower	Total
Quantity	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Average:							
1946-50 . . . . .	21,099	8,852	1/22,605	6,962	4,728	219	59,884
1951-55 . . . . .	25,833	16,738	19,398	3,786	652	181	66,588
Annual:							
1957. . . . .	45,927	15,846	18,592	4,996	271	214	85,846
1958. . . . .	38,603	10,112	13,014	3,943	473	319	66,464
1959. . . . .	46,242	11,986	21,204	4,270	846	254	84,802
Value	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Average:							
1946-50 . . . . .	5,802	921	1,709	3,928	1,316	359	13,351
1951-55 . . . . .	6,930	658	1,553	2,775	120	452	12,456
Annual:							
1957. . . . .	11,372	782	1,624	3,040	56	605	17,479
1958. . . . .	9,998	749	1,697	3,230	97	650	16,421
1959. . . . .	10,483	694	1,947	3,713	169	631	17,637

U. S. Bureau of the Census.

1/ 3-year average.

The United States shipped grass and legume seeds to 56 foreign countries last year. About 60 percent of the total went to European countries. Latin America and Southeast Asia, including Australia and New Zealand, are relatively small markets but they are growing in importance. As for individual countries, Canada was our largest customer in 1959-60 followed by



France, Italy, and the Netherlands, in that order. These countries are also competitors for certain kinds of grass and legume seeds in world markets. Other important competitors are Denmark and Hungary.

## HOPS

World hops production increased rapidly after 1954 because of improvements in per capita incomes, upward trend in world beer consumption, and high prices for hops. By 1959, hops production exceeded world requirements. Prices then declined precipitously. Because of the continued large world production this year, world market prices remain substantially under levels of a few years ago.

Unless prices become more favorable, producers in Germany and the United States, the two largest producers and exporters, are likely to plow up substantial acreages intended for hops production in 1961 and reduce their planting of new gardens. This would of course reduce export availabilities in those countries. On the other hand, producers in Czechoslovakia and Yugoslavia, the two other leading exporters, are expected to maintain their production at current or even higher levels.

World Production, 1960-61.—World hops production in 1960-61 is estimated at 175 million pounds, a decline of 6.0 million pounds from the alltime 1959-60 record, but still 31 million pounds above the 1950-54 average of 144 million. A large increase in the combined production of the United Kingdom, Yugoslavia, Japan, Czechoslovakia, and Poland was more than offset by a large reduction in the combined output of the United States, West Germany, Belgium, Australia, and Canada.

World and U. S. Export Prospects 1960-61.—Despite a continued upward trend in beer consumption, world import demand for hops in 1960-61 (September-August) will probably show

TABLE 22.—Hops: World production, average 1950-54, annual 1958-60

Country	1950-54	1958	1959	1960 <u>1/</u>
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
United States . . . . .	53,627	48,407	53,600	45,976
Federal Republic of Germany . . . . .	28,749	38,476	39,706	36,155
United Kingdom . . . . .	33,400	33,896	25,051	27,798
Czechoslovakia . . . . .	10,976	<u>2/</u> 14,440	<u>2/</u> 13,117	<u>2/</u> 13,779
USSR . . . . .	3/	13,200	13,200	13,200
Yugoslavia . . . . .	2,874	6,724	9,855	11,354
France . . . . .	4,442	4,960	5,247	5,225
Poland . . . . .	3/	2,998	3,621	3,968
Japan . . . . .	1,235	2,151	2,767	3,660
Belgium . . . . .	2,324	3,752	3,913	3,197
Australia . . . . .	3,066	4,088	3,661	3,200
East Germany . . . . .	3/	<u>2/</u> 2,205	<u>2/</u> 2,925	<u>2/</u> 2,900
Canada . . . . .	1,918	1,435	1,455	1,186
New Zealand . . . . .	1,002	1,090	899	900
Spain . . . . .	367	797	802	896
Others . . . . .	445	820	952	1,141
Total . . . . .	144,425	179,439	180,771	174,535

1/ Subject to revision. 2/ Trade estimate. 3/ Not available.



TABLE 23. —Hops: U. S. exports by destinations, average 1946-50 and 1951-55, annual 1959 and 1960 <sup>1/</sup>

Continental destinations	1946-50	1951-55	1959	1960
	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>
North America. . . . .	4,608,701	4,835,693	5,102,322	5,956,847
Central America . . . . .	174,695	252,688	282,556	196,324
Caribbean. . . . .	417,671	328,801	497,656	548,128
South America. . . . .	4,331,555	4,300,460	6,661,399	6,527,186
Europe. . . . .	1,675,366	2,120,015	5,143,676	4,263,582
Africa . . . . .	442,002	302,938	299,745	439,164
Asia. . . . .	380,494	623,995	456,959	528,169
Oceania . . . . .	718,605	143,138	881	---
Total . . . . .	12,749,089	12,907,728	18,445,194	18,459,400

<sup>1/</sup> Marketing years ending August 31 of years indicated.

little increase if any over that of 1959-60 because breweries in many countries took advantage of low prices last season to build up reserves. On the other hand, the belief is that the combined total export supply in major exporting countries in 1960-61 probably changed little if at all from a year ago because reductions in the U. S., West German, and Belgian crops and export availabilities were largely offset by the increased production and export availabilities in the United Kingdom, Yugoslavia, and Czechoslovakia.

A bright spot on the horizon is the continued large movement of U. S. hops into export, although most of the shipments consist of hops sold some time ago. However, current indications are that U. S. exports during 1960-61 will be around 17.8 million pounds compared with last season's record of 18.5 million pounds. Most of the exports will go to Western Hemisphere and European markets, principally Mexico, Colombia, Brazil, and West Germany. In addition to these large buyers, the United States will continue to sell hops in more than 50 other foreign countries.

The foreign demand for U. S. hops is expected to continue at a high level in the years ahead. Supporting this opinion are such factors as expectations of a continue upward trend in world beer consumption as consumer incomes improve; growing appreciation by foreign breweries of U. S. hops for light beers, the demand for which is increasing; the ready availability of U. S. hops of excellent quality at competitive prices; and the excellent merchandising practices of U. S. exporters.

### PROTECTING AND EXPANDING MARKET OUTLETS

The primary objective of the work of the Foreign Agricultural Service in connection with grain and grain products, pulse crops, seeds, and hops is to provide U. S. producers and exporters with adequate and timely information on developments abroad which affect the competitive status of these products in world markets; assist them in maintaining and expanding their export outlets; and enable them to adjust their production and marketing operation in accordance with changing supply and demand conditions. This is in accordance with the organic act establishing the United States Department of Agriculture and subsequent acts of Congress and specific appropriations down through the years.

Broadly speaking the work falls into three categories. These are foreign agricultural intelligence, market news dissemination, and trade promotion activities.

Agricultural Intelligence. — Developments which affect day-to-day prices and the competitive status of these U.S. products in world markets are determined by factors over which producers and exporters have little or no control and for which they have little direct and authoritative information. Without such information they are not in a position to take full advantage of foreign market opportunities. The government, with its long-established and worldwide agricultural intelligence service, can help fill the void.

Specialists with an expert knowledge of these commodities keep up to date on foreign supplies and requirements, including intentions to plant, growing conditions, yields, production, prices, consumption trends, import requirements, export availabilities, competition from various sources of supply, and the prevailing market situation; determine potentialities for expanding export outlets for such U.S. products in the light of existing supplies and requirements, population trends, producer and consumer reaction to price changes, levels of economic activity and consumer incomes, possible shifts in dietary habits, changes in distribution costs, etc.; and work out programs for the solution of specific problems confronting U.S. producers and exporters as a result of changing world supply and demand conditions, technological trends, and foreign governmental production and trade policies.

Market News Dissemination. — This "intelligence" is disseminated not only to the Nation's producing and trading interests, but also to research institutions, trade journals, libraries, and the general public through the usual departmental news media. Also, commodity marketing specialists report on foreign developments and market opportunities at meetings across the country. They travel widely, and have direct contracts with farm, trade, and consumer groups. Any member of these groups interested in being placed on the mailing list for such information should write to the Director, Foreign Market Information Division, Foreign Agricultural Service, United States Department of Agriculture, Washington 25, D.C.

In addition to 650 spot news items on developments abroad affecting the competitive status in world markets of the U.S. products under reference, a total of 42 Foreign Agricultural Circulars on world acreage, yields, production, international trade, and stocks were issued during 1959-60 and the first 9 months (July-March) of 1960-61. Some of the recent competition studies follow.

Brazil's Future as a Wheat Producer. FAS-M-60, July 1959. A study of Brazil's potentialities as a wheat producer and extent to which the country can make itself self sufficient for wheat.

The Feed Industry of France. FG 13-59. December, 1959. Review of technological advances in livestock feeding, feed manufacturing, potentials for feed utilization and regulations pertaining to the feed industry and trade of France.

Prospects for Foreign Trade in Food and Feed Grains, Dry Peas and Beans, Seeds and Hops. January 1960. Review of world supply and demand situation for the indicated products with particular reference to U.S. export prospects in 1959-60.

World's 1959-60 Hops Crop Smaller Than Estimated Earlier. FH 1-60. July 1960. Revised estimate of world hops production, comments on trends in production, prices, consumption and exports in principal producing countries, and impact of the Common Market on demand for U.S. hops in EEC countries.

The World Grain Trade, 1957-58 and 1958-59. FAS-M-53, July 1960. Statistics on international trade in bread and feed grains by countries of origin and destination during stated periods compared with the 1951-55 average.

Import Restrictions on Feed Grains in the United Kingdom, Belgium, the Netherlands, West Germany and Italy. FAS-M-96. September 1960. Analysis of governmental feed grain production and trade policies in indicated countries and impact of the same on imports from the United States.

Argentine Wheat Marketing Practices and Facilities. FAS-M-95. September 1960. Analysis of Argentine wheat production and marketing methods and exports.

Grading and Exporting Wheat in the Union of Soviet Socialist Republics. FAS-M-99. February 1961. An analysis of Russian wheat production, marketing, utilization, and exports.

Thailand Becoming Important Corn Producer and Exporter. FG 1-61. January 1961. Review of trends in Thailand's corn production and exports and governmental incentives to increase production for export.

Japan's Grass and Legume Seed Import Needs Rising. FFVS 1-61. April 1961. Review of upward trend of Japan's legume seed imports to meet needs of rapidly developing livestock and dairy industries.

World Rice Exports by Origin and Destination, 1957-59. FR 1-61. March 1961. Statistics on International trade in rice during indicated calendar years by countries of origin and destination.

Analysis of Selected Varieties and Grades of Rice Moving in World Trade, in Terms of U. S. Official Rice Standards. Mkt. Research Rpt. No. 460. March 1961. Evaluation and comparison of types and qualities of rice imported and exported by principal deficit and surplus producing countries.

Trade Promotional Activities.—Trade expansion efforts, though diverse and numerous, fall roughly into two broad categories. One class involves activities to expand commercial or dollar export sales and build permanent dollar markets for U. S. products in Europe, Asia, Latin America, and Africa. The other activity includes expanding U. S. exports of surplus products to food-deficit, dollar-short, and less-developed countries.

Cooperating U. S. groups participating in such trade promotional activities include the following: Great Plains Wheat Market Development, Inc.; Western Wheat Associates, U. S. A. Inc.; The Millers National Federation; U. S. Rice Export Development Association; U. S. Feed Grains Council; Western Bean Dealers, Inc.; Pacific Seed Export Market Institute; The Oregon Seed Council; and American Seed Trade Association.

Recognizing the importance of concentrating on steps that can be taken by the government, producers, and exporters individually and collectively to assure maintenance and expansion in U. S. export outlets for grain and grain products, dry beans and peas, seeds, and hops, the Foreign Agricultural Service is continuing on an expanded scale during 1960-61 its activities along the following lines:

(1) Developing of on-the-spot nutritional extension programs for food grains, in collaboration with U. S. and foreign official and private institutions. Such projects include—

Preparation of articles for press and radio use; production of motion picture films for use in local theatres; dissemination to school children of notebooks, calendars, and book covers emphasizing the value of wheat products and milk in the diet; distribution of sandwich bulletins to bakers, millers, food stores, restaurants, and school officials; assistance in developing school lunch programs; and operation of kitchen busses to demonstrate and promote increased use of grain products as a means of promoting the health of the people through better balanced meals.

(2) Promoting increased use of U. S. feed grains in foreign countries by—

Conducting on-the-spot feeding demonstrations; encouraging adoption of scientific animal feeding programs; advising on the establishment of extension education with special reference



to the value of new and scientific methods, formulas, and techniques of animal feeding; conferring with foreign trade representatives, foreign feed grain importers, feed millers, and animal nutritionists to demonstrate the suitability of U. S. feed grains and the advantages to be derived from their use; analysing the needs and interests of foreign feed grain buyers and consumers; and recommending areas of research and methods of expanding U. S. feed grain exports.

(3) Establishing, in collaboration with U.S. producer and trading groups, of regional offices in selected foreign areas to encourage increased purchases of U. S. food and feed grains. These offices will—

Provide foreign buyers on a routine basis with detailed information on types, qualities, and prices of grain available for export; service the needs of foreign buyers generally; and supervise implementation of various market development projects.

(4) Establishing schools for training master bakers, who will return to their home areas and train others.

(5) Establishing and operating regional wheat-testing laboratories in selected foreign countries to determine the physical, milling, and baking qualities of locally grown and U. S. wheat.

(6) Introducing and encouraging consumer use of bulgour as a food well suited to meet the needs and tastes of consumers in underdeveloped countries, especially those which are not likely to become dollar markets in the foreseeable future.

(7) Bringing teams of foreign buyers, millers, processors, bakers, livestock feeders, and government officials to the United States to make their own investigations of types and qualities of U. S. grain available for export, and observe U. S. production, processing, marketing, and utilization methods.

(8) Sending U. S. specialists to foreign countries to make on-the-spot surveys of market potentialities for food and feed grains, pulses, seeds and hops, foreign consumer preferences with respect to types, qualities and related matters, and discuss import problems of foreign buyers.

(9) Sending bread and feed grain technologists to foreign countries to—

Study prevailing methods of milling, baking, and livestock feeding; investigate complaints with respect to the quality of U. S. bread and feed grains arriving in foreign markets; collaborate with U. S. trading groups with a view to establishment of procedures to assure delivery of types and qualities of food and feed grains that will meet the needs of foreign buyers; and assist foreign buyers in formulating specifications for wheat and feed grains which will supplement official U. S. Grain Standards and thus assure that characteristics of deliveries will meet technological requirements of purchasers.

(10) Distributing samples of U. S. seeds for testing in foreign experiment stations and promoting foreign forage crop improvement.

(11) Establishing a U. S. rice promotional project in West Germany, the Netherlands, Switzerland, Belgium, Sweden, and the United Kingdom in cooperation with U. S. rice exporting interests.

(12) Cooperating on special exhibits at international trade fairs through which FAS and co-operating U. S. trade, agricultural, and industry groups are able to bring to many millions of people in foreign countries the merits of U. S. grain and grain products, pulses, seeds and hops, U. S. production, grading, and marketing procedures, and methods of utilizing these products. Exhibits prepared for such fairs during 1960 and 1961 follow:



<u>Place</u>	<u>Dates</u>	<u>Exhibits</u>
<u>1960</u>		
Bombay, India	Feb. 1-March 1	Wheat
Verona, Italy	March 11-21	Feed grains
Spain (21 cities)	May-December	Feed grains
London, England	Aug. 31-Sept. 17	Rice and wheat products
Poznan, Poland	Sept. 4-25	Feed grains
Munich, Germany	Sept. 23-Oct. 2	Wheat and rice
<u>1961</u>		
Colombo, Ceylon	Jan. 21-Feb. 19	Wheat
Poznan, Poland	June 11-25, 1961	Wheat
Copenhagen, Denmark	June 22-25, 1961	Feed grains
Odense, Denmark	June 30-July 2, 1961	Feed grains
Herning, Denmark	July 6-July 9	Feed grains
Rohrbach, Austria	Aug. 12-15, 1961	Feed grains
Ried, Austria	Aug. 26-Sept. 3, 1961	Feed grains
Vienna, Austria	Sept. 3-10, 1961	Feed grains
Innsbruck, Austria	Sept. 23-Oct. 1, 1961	Feed grains
St. Gallen, Switzerland	Oct. 13-25, 1961	Feed grains
Lima, Peru	Oct. 12-29, 1961	Wheat

(13) Preparing basic background data for use in planning, initiating, and negotiating P. L. 480 and other surplus disposal programs; and for FAS collaboration in the Food For Peace Program.

(14) Preparing materials for use in GATT consultations and in formulating the Department's position relative to foreign governmental measures (tariff and non-tariff import restrictions, etc.) deemed inimical to the interests of U.S. producers and exporters of grain and grain products, pulses, seeds and hops; obtaining liberalization of trade barriers against these U.S. products; and negotiating solutions of trade problems which may arise out of the formation of economic unions, such as the European Economic Community, the European Free Trade Area, and the Latin American Free Trade Area.

